

Joint Standing Committee on Banking and Insurance

LD 2

An Act to Clarify the Application of Insurance Fraud Prevention Laws

**PUBLIC 5
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LAFOUNTAIN	OTP	

LD 2 proposed to clarify the definition of insurer under the insurance fraud prevention laws to ensure that authorized insurance companies fall within the definition. The bill applies this change retroactively to the effective date of enactment of the definition in Public Law 1997, chapter 675.

Enacted law summary

Public Law 1999, chapter 5 clarifies the definition of insurer under the insurance fraud prevention laws to ensure that authorized insurance companies fall within the definition. The law applies the change retroactively to June 30, 1998.

LD 32

An Act to Allow Reimbursement of Registered Nurse First Assistants for Surgical Procedures

PUBLIC 412

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BROOKS	OTP-AM MAJ	H-649
GOLDTHWAIT	ONTP MIN	S-343 MURRAY

LD 32 proposed to establish a process for registered nurses to become certified as registered nurse first assistants. It also proposed to require health insurance policies, health care services plans and other contracts that provide for the payment for surgical assistants to pay registered nurse first assistants for surgical assisting performed.

Committee Amendment "A" (H-649) replaced the bill. It proposed to require individual and group health insurance policies, health care services plans and other contracts that provide for the payment of surgical assistants to pay registered nurse first assistants for surgical assisting performed. The amendment also added a fiscal note to the bill.

Senate Amendment "A" to Committee Amendment "A" (S-343) was presented on behalf of the Committee on Bills in the Second Reading to correct a section number designation to avoid a conflict with Public Law 1999, chapter 256, Part Q, section 2.

Enacted law summary

Public Law 1999, chapter 412 requires individual and group health insurance policies, health care services plans and any other contracts that provide for the payment of surgical assistants to pay registered nurse first assistants for the surgical assisting performed.

The law applies to all individual and group health insurance policies, health care services plans and other contracts issued or renewed on or after January 1, 2000.

LD 33**An Act to Delay Implementation of a Separate Community Rate for Individuals Eligible for Medicare****PUBLIC 44
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PERKINS	OTP-AM MAJ ONTP MIN	H-36

LD 33 proposed to repeal the community rating law that applies to individual and small group health insurance plans.

Committee Amendment "A" (H-36) was the majority report of the committee and replaced the bill. The amendment amended the title and proposed to delay until July 1, 2000 implementation by insurers of a separate community rate for individuals eligible for Medicare Part A without paying a premium. The amendment makes the bill retroactive to September 19, 1997.

The amendment also added an emergency preamble, emergency clause and a fiscal note to the bill.

Enacted law summary

Beginning July 1, 2000, Public Law 1999, chapter 44 allows insurers to establish a separate community rate for individuals eligible for Medicare Part A without paying a premium. This law applies the change retroactively to September 19, 1997.

Chapter 44 was enacted as an emergency measure effective April 12, 1999.

LD 34**An Act to Protect the Choice of Hospital Care for HMO Enrollees****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MAYO	ONTP MAJ OTP-AM MIN	

LD 34 proposed to prohibit nonprofit hospital and medical service organizations, preferred provider organizations, health insurers and health maintenance organizations from denying a provider, including a hospital, the right to participate in a managed care plan if the provider is willing to meet the terms and conditions of the agreement established by the managed care plan.

LD 69**An Act to Ensure Choice of Accredited Health Care Providers in Managed Care Programs****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MCALEVEY	ONTP	

LD 69 proposed to prohibit nonprofit hospital and medical service organizations, preferred provider organizations, health insurers and health maintenance organizations from denying a health care provider the right to participate in a managed care plan if the provider provides health care services or supplies within the geographic coverage area of the plan and is willing to meet the terms and conditions of the managed care plan.

LD 79

**An Act to Allow the Maine Association of Realtors to Purchase Insurance
under Group Health Insurance Plans**

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PLOWMAN	ONTP	

LD 79 proposed to allow the Maine Association of Realtors to purchase group health insurance.

LD 92

**An Act to Create a Mandatory Auto Insurance Premium Discount for
Safe, Mature Drivers**

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CLARK	ONTP MAJ	
CATHCART	OTP-AM MIN	

LD 92 proposed to require insurance companies to provide a driver 55 years of age or older a discounted premium if the insured completes an accident prevention course approved by the Department of the Secretary of State, Bureau of Motor Vehicles.

Committee Amendment "A" (H-340) was the minority report of the committee and proposed to require the Bureau of Highway Safety within the Department of Public Safety to approve accident prevention courses for mature drivers. Currently, the Bureau of Highway Safety, not the Bureau of Motor Vehicles, oversees other defensive driving courses. The amendment also added a fiscal note to the bill. Committee Amendment "A" was not adopted.

LD 97**An Act to Require Mortgage Holders Who Escrow Property Taxes to Reduce the Escrow Due to the Homestead Exemption****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GAGNON CAREY	ONTP	

LD 97 proposed to require a mortgagee holding an escrow account for payment of real estate taxes on owner-occupied residential property to calculate the amount collected for that purpose taking into account the homestead property tax exemption.

LD 108**An Act to Protect Enrollees of Managed Care Plans****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BROOKS PINGREE	ONTP	

LD 108 proposed to establish a duty and standard of ordinary care that must be provided by an insurance company, health maintenance organization, preferred provider organization or nonprofit hospital or medical service organization under a managed health care plan. It also proposed to authorize a person enrolled in a managed health care plan to bring a legal action for damages against a carrier if the person is harmed by a carrier's failure to exercise ordinary care.

See related bills LD 631, LD 750, LD 1619 and LD 1890.

LD 116**An Act to Protect Consumers in Real Estate Mortgage Transactions****PUBLIC 145**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LAFOUNTAIN SAXL J	OTP-AM	H-235 SAXL J S-59

LD 116 proposed to require that mortgage lenders provide closing funds to settlement agents prior to or at the time of closing, to prevent further situations in which consumers in the State close on loans and then do not receive the funds.

This bill was submitted on behalf of the Department of Professional and Financial Regulation

Committee Amendment "A" (S-59) proposed to require that mortgage lenders provide closing funds to settlement agents prior to or at the time of closing. The amendment proposed to clarify that in the case of a refinancing or other loan where a right of rescission applies the lender must provide the funds to the settlement agent prior to noon of the first business day after the expiration of the rescission period. The amendment also proposed to clarify the remedies available to consumers in civil actions, add a limitation of recovery to actual damages if a lender or settlement agent demonstrates the violation was a bona fide error and require that civil actions be brought within two years after a violation occurred.

The amendment also proposed to add a fiscal note to the bill.

House Amendment "A" (H-235) proposed to correct a clerical error.

Enacted law summary

Public Law 1999, chapter 145 requires that mortgage lenders provide closing funds to settlement agents prior to or at the time of closing. It requires that in refinancing or other loans where a right of rescission applies the lender must provide the funds to the settlement agent prior to noon of the first business day after the expiration of the rescission period. It gives consumers the right to recover damages in a civil action against a lender or settlement agent if the civil action is brought within two years after a violation occurs. If a lender or settlement agent demonstrates the violation of the statutory requirements is a bona fide error, then the consumer's recovery is limited to actual damages.

LD 117

An Act to Amend Maine's Insurance Laws Regarding Gifts and Rebates

PUBLIC 8

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LAFOUNTAIN SAXL J	OTP	

LD 117 proposed to amend the insurance rebating law by capping the prize that may be offered in a raffle at a value of \$100. The bill also proposed to clarify that prizes and gifts may not be in the form of cash.

Enacted law summary

Public law 1999, chapter 8 amends the insurance rebating law by capping the prize that may be offered in a raffle at a value of \$100. It also provides that prizes and gifts may not be in the form of cash.

LD 119

An Act to Make Maine Medicare Supplement Insurance Laws Consistent with Federal Laws

**PUBLIC 36
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LAFOUNTAIN SAXL J	OTP-AM	S-15

LD 119 proposed to amend the laws governing Medicare supplement insurance policies in order to conform to requirements in federal law. It proposed to make the continuity of coverage chapter of the insurance code inapplicable to Medicare supplement policies and enact an analogous continuity of coverage section in the Medicare supplement chapter. It proposed to repeal the law allowing a person who switches from a Medicare supplement to a Medicare managed care program to switch back within a 12-month period. It proposed an effective date of April 28, 1999.

This bill was submitted on behalf of the Department of Professional and Financial Regulation.

Committee Amendment "A" (S-15) proposed to require the Superintendent of Insurance to adopt rules concerning guaranteed issuance and continuity of coverage under Medicare supplement insurance policies.

The amendment also proposed to add a fiscal note to the bill.

Enacted law summary

Public Law 1999, chapter 36 makes the continuity of coverage chapter of the insurance code inapplicable to Medicare supplement policies and enacts an analogous continuity of cover section in the Medicare supplement chapter in order to conform to requirements in federal law. It repeals the law allowing a person who switches from a Medicare supplement

to a Medicare managed care program to switch back within a 12-month period. It requires the Superintendent of Insurance to adopt rules concerning guaranteed issuance and continuity of coverage under Medicare supplement insurance policies.

The requirements of Public Law 1999, chapter 36 became effective on April 28, 1999.

LD 155

An Act to Amend the Health Plan Improvement Act

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MAYO LAFOUNTAIN	ONTP	

LD 155 proposed to amend the Health Plan Improvement Act to prohibit carriers offering managed care plans from paying financial incentives to participating providers to deny, reduce or limit medically necessary health care services to enrollees. The bill also proposed to give health plan enrollees the right to an independent external review of a plan's coverage decision after all internal grievance and appeals procedures have been exhausted.

See related bills LD 531, 631, 750, 1619 and 1890.

LD 165

An Act Requiring Life Insurers to Have a Return of Premium Provision

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HARRIMAN	ONTP	

LD 165 proposed to require that life insurance policies provide for a refund of the premium when a policyholder requests cancellation prior to the end of the period for which premiums have been paid.

LD 240

An Act to Amend the Maine Banking Code as it Pertains to ATM Surcharges

**PUBLIC 25
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RAND	OTP-AM	S-16

LD 240 proposed to permit banks and credit unions to enter into agreements not to impose surcharges on ATM transactions by the customers of those banks or members of those credit unions.

Committee Amendment "A" (S-16) proposed to add an emergency preamble, an emergency clause and a fiscal note to the bill.

Enacted law summary

Public Law 1999, chapter 25 permits banks and credit unions to enter into agreements not to impose surcharges on ATM transactions by the customers of those banks or members of those credit unions.

Chapter 25 was enacted as an emergency measure effective March 22, 1999.

LD 280**An Act to Make it an Unfair Claims Practice for Insurers Who Fail to Deal in Good Faith with Claimants to Resolve Claims****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MAYO	ONTP MAJ	
MILLS	OTP MIN	

LD 280 proposed to make it an unfair claims practice for an insurer to fail to deal in good faith with a claimant when resolving a claim made against a policy of the company's insured.

LD 350**An Act to Improve the Delivery of Services in Insurance****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL	ONTP MAJ	
	OTP-AM MIN	

LD 350 proposed to allow insureds to change insurance agencies or insurance producers by sending a producer of record letter to the insurer. The agency would have been required to make copies of all records pertaining to the policy available to the new insurance agency or producer.

Committee Amendment "A" was the minority report of the committee and proposed to replace the bill. It proposed to do the following:

1. Allow an insured to change producers on any individual health, life, disability or long-term care policy purchased by the insurer, health maintenance organization, fraternal benefit society, nonprofit hospital and medical service organization, viatical settlement provider or risk retention group that issued the policy;
2. Clarify that the provision would not be intended to supersede or affect any existing or future written employment contract between an insurer and a producer or an agency, any severance agreement arising out of such employment, or any contract between an insurer and a producer of record;
3. Require that the new producer provide a copy of the contract or a signed affidavit stating that the redirection of commissions requested in the producer of record letter is not superseded or affected by any employment or other contract; and
4. Clarify that the agency does not have to share its record, but requires the insurer, health maintenance organization, fraternal benefit society, nonprofit hospital and medical service organization, viatical settlement provider or risk retention group to provide the new producer with copies of the policy contract and schedule of benefits.

The amendment also proposed to add a fiscal note to the bill. Committee Amendment "A" was not adopted.

Sponsor(s)
ABROMSON
BRUNO

Committee Report
OTP-AM

Amendments Adopted
S-197

LD 376 proposed to require that insurers disclose to policyholders on all applications and outlines of long-term care coverage and on the face of long-term care insurance policies and certificates if the policy is certified by the Superintendent of Insurance and that premiums paid for the policy are deductible for state income tax purposes.

Committee Amendment "A" (S-197) proposed to replace the bill and change the title. The amendment proposed to enact a new chapter of the Maine Insurance Code, the Maine Revised Statutes, chapter 68-A to govern individual and group long-term care insurance policies or certificates issued on or after January 1, 2000. The amendment is based on a model law of the National Association of Insurance Commissioners. The amendment proposed that long-term care insurance policies or certificates issued before January 1, 2000 will continue to be governed by the provisions of chapter 68 of the Maine Insurance Code.

The amendment proposed to require that certain disclosures relating to long-term care insurance be made to applicants, policyholders and certificate holders, including a specific disclosure as to whether the policy or certificate is intended to be qualified for purposes of federal and state individual income taxes. It proposed provisions regulating the coverage of preexisting conditions under long-term care insurance policies and certificates and prescribing standards for policy provisions relating to prior hospitalization or institutionalization.

The amendment also proposed a provision governing nonforfeiture of benefits and the incontestability of long-term care insurance policies and certificates. Applicants for long-term care insurance would have also been given the right to return a long-term care insurance policy within 30 days and to receive a premium refund if the applicant is not satisfied with the policy for any reason.

The Superintendent of Insurance would have been required to adopt rules relating to premium adequacy, premium rates and minimum standards for marketing, insurance producer compensation and testing, penalties and reporting practices. The superintendent would also have been given authority to adopt any necessary rules to implement various provisions, including standards for disclosure and loss ratios. These rules would have been designated routine technical rules and would not be subject to legislative review before final adoption.

The amendment proposed to make insurers and insurance producers that violate any provision of chapter 68-A subject to a fine of up to the greater of three times the amount of the commission paid on each policy involved in the violation or \$10,000.

The amendment also proposed to add a fiscal note to the bill.

Enacted law summary

Public Law 1999, chapter 292 enacts a new chapter of the Maine Insurance Code, the Maine Revised Statutes, chapter 68-A to govern individual and group long-term care insurance policies or certificates issued on or after January 1, 2000. It requires that certain disclosures relating to long-term care insurance be made to applicants, policyholders and certificate holders, including a specific disclosure as to whether the policy or certificate is intended to be qualified for purposes of federal and state individual income taxes. It regulates the coverage of preexisting conditions under long-term care insurance policies and certificates and prescribes standards for policy provisions relating to prior hospitalization or institutionalization. Applicants for long-term care insurance have the right to return a long-term care

insurance policy within 30 days and to receive a premium refund if the applicant is not satisfied with the policy for any reason. It requires the Superintendent of Insurance to adopt rules relating to premium adequacy, premium rates and minimum standards for marketing, insurance producer compensation and testing, penalties and reporting practices. The superintendent also has the authority to adopt any necessary rules to implement various provisions, including standards for disclosure and loss ratios.

It requires insurers and insurance producers that violate any provision of chapter 68-A to pay a fine of up to the greater of three times the amount of the commission paid on each policy involved in the violation or \$10,000.

Public Law 1999, chapter 292 also governs nonforfeiture of benefits and the incontestability of long-term care insurance policies and certificates.

LD 409 **An Act to Require Insurance Companies to Provide Certain Information to the Department of Human Services** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BRUNO	ONTP MAJ	
HARRIMAN	OTP-AM MIN	

LD 409 proposed to require that nonprofit hospital and medical service organizations, insurance companies and health maintenance organizations providing health coverage in this State provide the names, addresses, social security numbers, dates of birth and time periods of eligibility for coverage of all persons receiving health coverage to the Department of Human Services upon request. This information would have allowed the department to determine whether recipients of Medicaid benefits are concurrently eligible for private coverage from a nonprofit hospital and medical service organization, insurance company or health maintenance organization.

LD 467 **An Act Authorizing Municipalities to Create Nonprofit Corporations for the Sole Purpose of Providing Homeowners Liability Insurance to Citizens of the Municipalities** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PERKINS	ONTP MAJ	
	OTP-AM MIN	

LD 467 proposed to authorize the creation of nonprofit municipal corporations, which are wholly owned and administered by a municipality or group of municipalities, for the sole purpose of providing homeowners liability insurance to the citizens of the municipality or group of municipalities.

Committee Amendment "A" (H-135) was the minority report of the committee. Like the bill, it proposed to authorize the creation of nonprofit municipal corporations, which are wholly owned and administered by a municipality or group of municipalities, for the sole purpose of providing homeowners liability insurance to the citizens of the municipality or group of municipalities. The amendment proposed to clarify that these corporations are subject to the same requirements of the Maine Insurance Code as licensed insurance companies and are subject to the insurance premium tax. The amendment also proposed to clarify that these corporations do not have immunity from suit under the Maine Tort Claims Act.

The amendment also proposed to add a fiscal note to the bill. Committee Amendment "A" was not adopted.

LD 468**An Act to Require Insurers to Disclose Insurance Data to Schools and Municipalities****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MAYO	ONTP MAJ	
KIEFFER	OTP MIN	

LD 468 proposed to require that insurers, nonprofit hospital and medical service organizations and health maintenance organizations provide school administrative units with information concerning the unit's own experience rating and claims history as a member covered under a group policy or contract at the unit's request or at the request of the municipality in which the unit is located.

LD 472**An Act to Amend the Revised Maine Securities Act****PUBLIC 37**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ABROMSON	OTP-AM	S-14

LD 472 proposed to make a series of changes to various provisions of the Revised Maine Securities Act. The changes fall into three categories: first, to clarify; second, to correct previously overlooked errors; and third, to make the Act more uniform with the laws of other states.

This bill was submitted on behalf of the Department of Professional and Financial Regulation.

Committee Amendment "A" (S-14) proposed to clarify the definition of "successor firm" and require that a successor firm file a license application within 30 days of becoming a successor firm. The amendment also proposed to correct a typographical error in the bill.

Enacted law summary

Public Law 1999, chapter 37 amends the Revised Maine Securities Act to make the Act more uniform with the laws of other states and to make necessary corrections and clarifications. The law clarifies that the provisions of the Act apply to broker-dealers and investment advisers; clarifies the definition of "successor firm" and requires that successor firms file a license application within 30 days of becoming a successor firm; gives the Securities Administrator the authority to censure applicants or licenses that violate the Act in addition to authority to deny, suspend or revoke a license; and extends the application of the liability provision governing persons who indirectly or directly control another person to administrative actions brought by the Securities Administrator.

LD 484**An Act to Require Insurers to Cover Procedures Performed by Licensed Denturists****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MICHAUD	ONTP	
STANLEY		

LD 484 proposed to require that nonprofit hospital and medical service organizations, health insurers and health maintenance organizations provide coverage for services performed by licensed denturists. The bill would have applied to all individual and group policies, contracts and certificates issued or renewed on or after January 1, 2000.

LD 531**An Act to Require External Review of Coverage Decisions by Health Plans****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LAFOUNTAIN SAXL J	ONTP	

LD 531 proposed to amend the Health Plan Improvement Act to give a health plan enrollee the right to an independent external review of a plan's coverage decision after all internal grievance and appeals procedures have been exhausted.

See related bills LD 55, 631, 750, 1619 and 1890.

LD 567**An Act to Improve Insurance Company Practices Pertaining to Collision Appraisals****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MCKENNEY	ONTP MAJ OTP-AM MIN	

LD 567 proposed to govern the conduct of appraisers of collision damage to motor vehicles.

Committee Amendment "A" (H-99) was the minority report of the committee and proposed to do the following:

1. Allow appraisers to send a copy of the appraisal by facsimile to the repair shop within a reasonable time after the appraisal;
2. Allow competitive estimates from other repair shops to be obtained on the basis of photographs;
3. Allow appraisers to request that appraisals or repairs be performed at a specific repair shop or shops if that appraiser is employed by or under contract with that repair shop;
4. Eliminate the requirement that a vehicle be reinspected if the supplementary allowance is agreed to by the appraiser; and
5. Remove the provision from the bill stating that violations of the requirement by appraisers are prima facie evidence of violations of the Maine Unfair Trade Practices Act.

The amendment also proposed to add a fiscal note to the bill. Committee Amendment "A" was not adopted.

LD 569**An Act to Require Insurance Companies to Cover Cervical Cancer Screening****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL	ONTP	

LD 569 proposed to require that individual and group health insurance policies and contracts provide coverage for thin preparation Pap tests to screen for cervical cancer.

LD 588**An Act to Facilitate the Use of Major Credit Cards to Pay Fines, Forfeitures and Fees****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MILLS	ONTP	

LD 588 proposed to facilitate payment of fines, forfeitures and fees by allowing the State to cover its costs when accepting payment by credit card. This bill proposed to authorize the State and its agencies to charge a fee of 2.5% when a person pays a fine, forfeiture or fee to the State.

The substantive provisions of LD 588 were incorporated into the Part II budget, Public Law 1999, chapter 401.

LD 598**An Act to Mandate that Insurance Companies Cover Eating Disorders****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PINGREE	ONTP	

LD 598 proposed to require that individual and group health insurance policies and contracts provide coverage for eating disorders. See related bill LD 1158.

LD 601**An Act to Clarify the Duty of Insurance Agencies to Keep Records****PUBLIC 50**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DAVIDSON	OTP-AM	H-46

LD 601 proposed to clarify that if a producer engages in a transaction on behalf of an insurance agency and subsequently maintains a different place of business, the duty to keep records of the transaction falls on the insurance agency and not the individual producer.

Committee Amendment "A" (H-46) proposed to replace the bill. It proposed to clarify that if a producer engages in a transaction on behalf of an insurance agency and subsequently maintains a different place of business, the duty to keep records of the transaction falls on the insurance agency and not the individual producer. It proposed that if a producer engages in transactions independent of any agency, the producer has the duty to keep records.

Enacted law summary

Public Law 1999, chapter 50 requires that if a producer engages in a transaction on behalf of an insurance agency and subsequently maintains a different place of business, the duty to keep records of the transaction falls on the insurance agency and not the individual producer. If a producer engages in transactions independent of any agency, the producer has the duty to keep records.

LD 608**An Act to Require Health Insurers to Reply to Payment Requests by Family Practice Nurse Practitioners within a Certain Time****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ROSEN MITCHELL B	ONTP	

LD 608 proposed to require that health insurance carriers respond to requests for reimbursement from family practice nurse practitioners within 60 days of the request for reimbursement.

LD 622**An Act to Increase Consumer Confidence in Insurance Companies****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SKOGLUND DOUGLASS	ONTP MAJ OTP MIN	

LD 622 proposed to require that insurers, nonprofit hospital, medical or health care service organizations and health maintenance organizations disclose to insured persons the profits of the company over the past 12 months or, in the case of a nonprofit organization, the salary of the organization's highest paid company official at the time the insureds are billed for an insurance policy or contract.

LD 631**An Act to Establish a Patient's Bill of Rights****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BROOKS PINGREE	ONTP	

LD 631 proposed to incorporate into Maine law many of the provisions contained in the proposed federal "Patients' Bill of Rights" legislation. The provisions proposed to govern the following:

1. Access to out-of-network providers;
2. Access to obstetrical and gynecological care;
3. Access to specialty care;
4. Continuity of care;
5. Access to prescription drugs;
6. Access to clinical trials;
7. Availability of independent external review of appeals;
8. Prohibition of financial incentives for providers;
9. Establishment of an independent nonprofit health care ombudsman program; and

10. Right of enrollees to sue health plans.

See related bills LD 750, 1619 and 1890.

LD 634	Resolve, to Direct the Superintendent of Insurance to Evaluate a Separate Workers' Compensation Classification Code for Milk Haulers	ONTP
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
NUTTING J JACOBS	ONTP	

LD 634 proposed to require the Superintendent of Insurance to evaluate whether workers' compensation classification systems should contain a separate classification for milk haulers.

LD 649	An Act to Allow the Use of the 1990 American Dental Association Form for Submission of Insurance Claims	ONTP
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RUHLIN	ONTP	

LD 649 proposed to require that nonprofit hospital, medical and health care service organizations, insurers and health maintenance organizations accept the submission of the 1990 American Dental Association standard claim form for dental insurance claims. This bill was an emergency and would have taken effect when enacted.

LD 750	An Act to Establish a Patient's Bill of Rights	CARRIED OVER
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAXL J LAFOUNTAIN		

LD 750 incorporates into law many of the provisions contained in the proposed federal patient bill of rights legislation. The provisions govern the following:

1. Coverage of emergency services;
2. Access to out-of-network providers;
3. Access to obstetrical and gynecological care;
4. Access to specialty care;
5. Continuity of care;
6. Access to prescription drugs;

7. Access to clinical trials;
8. Availability of independent external review of appeals;
9. Prohibition on financial incentives for providers; and
10. Right of enrollees to sue health plans.

LD 750 has been carried over to the Second Regular Session.

LD 755

An Act Regarding the Assignment of Insurance Benefits for Dental Care

PUBLIC 21

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ABROMSON	OTP	

LD 755 proposed to require that certain insurance policies providing benefits for dental care on an expense-incurred basis must contain a provision permitting the insured to assign benefits for such care to the provider of the care.

Enacted law summary

Public Law 1999, chapter 21 requires that insurance policies providing benefits for dental care contain an assignment of benefits provision allowing payment to be made by the insurer directly to the dental care provider.

LD 760

An Act to Clarify the Residency Requirements for Individual Health Insurance Coverage through a Maine-based Insurance Carrier

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LAFOUNTAIN MAYO	ONTP	

LD 760 proposed to ensure that individuals seeking individual health insurance coverage through insurance carriers based in this State have an appropriate degree of contact with this State.

This bill proposed to clarify the degree of contact an individual must have with this State in order to obtain health care coverage through a carrier based in this State by requiring an individual to establish both residency and legal domicile in this State in order to be eligible for the guaranteed issuance protections of the Maine Insurance Code. An individual may establish residency by having a dwelling in this State and being physically present in the State for 60 days per year. An individual may establish this state as legal domicile by registering to vote in the State and claiming it as legal domicile for federal tax purposes. This bill proposed to eliminate obtaining a driver's license and filing a state tax return in this State as criteria for establishing legal domicile.

The substantive provisions of LD 760 were incorporated into Public Law 1999, chapter 256 (LD 2157).

LD 824**An Act Regarding Civil Actions Involving Insurance Coverage****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAVAGE W	ONTP MAJ OTP-AM MIN	

LD 824 proposed to require insurers to pay costs and reasonable attorney's fees to the insured in any civil action to determine coverage under an insurance policy when the insurer loses the suit. The bill also proposed to require that insurers have the burden of proof in any action to determine coverage of a liability insurance policy regardless of whenever the insurer or an insured or claimant institutes the action.

Committee Amendment "A" (H-189) was the minority report of the committee and proposed to replace the bill. It proposed to clarify that the bill applies only to declaratory judgment actions to determine an insurer's contractual duty to defend an insured. It proposed to define an insured as a natural person and exclude corporations, trusts, partnerships, incorporated or unincorporated associations and other legal entities from the definition of an insured. It proposed to clarify the intent that no right or cause of action is created or extended to third-party claimants under an insurance policy and that insureds are not permitted to assign any rights under a policy to any other person. The amendment also proposed to exempt life, health, disability and workers' compensation insurance. Committee Amendment "A" was not adopted.

LD 831**An Act to Limit the Maximum Finance Charge to 10.5%****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GOODWIN	ONTP	

LD 831 proposed to limit the interest that may be charged on consumer credit transactions to 10.5%.

LD 833**An Act to Decrease the Required Minimum Amounts of Liability Insurance Coverage for Motor Vehicles****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MENDROS BENNETT	ONTP MAJ OTP MIN	

LD 833 proposed to decrease the required minimum amounts of automobile liability insurance coverage.

LD 834**An Act to Provide Insurance Coverage for Wigs Required for Medical Reasons****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'BRIEN L	ONTP	

LD 834 proposed to require individual and group health insurance policies and health maintenance organization contracts to cover the purchase of a wig or hairpiece when the purchase is made to cover baldness or thin hair resulting

from a disease attested to by a physician. The bill also proposed to require similar Medicaid reimbursement to the extent allowed by federal law.

LD 857

An Act to Increase Access to Primary Health Care Services

PUBLIC 396

<u>Sponsor(s)</u> MAYO PENDLETON	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> H-630
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LD 857 proposed to allow certified nurse practitioners and certified nurse midwives participating in managed care plans to serve as primary care providers.

Committee Amendment “A” (H-630) proposed to replace the bill. The amendment proposed to require that certified nurse practitioners be permitted to serve as primary care providers in managed care plans if the certified nurse practitioner is approved by the State Board of Nursing to practice advanced practice registered nursing without the supervision of a physician and meet the managed care plan’s credentialing standards. The amendment proposed to clarify that carriers are not required to credential nurse practitioners or physicians as primary care providers if their existing network of providers meets the access and provider network standards adopted by the Bureau of Insurance. The amendment also proposed to require that carriers provide coverage for the services of certified nurse practitioners and certified nurse midwives provided to individuals referred by a primary care provider. The amendment also proposed to clarify that carriers must provide coverage for the services of certified nurse practitioners and certified nurse midwives in indemnity or other health insurance plans that do not require the selection of a primary care provider when those services are covered services and when they are within the lawful scope of practice of the certified nurse practitioner or certified nurse midwife. The amendment would have required that carriers assign identification numbers or codes to certified nurse practitioners and certified nurse midwives who provide services covered by the carrier’s health plans. The amendment proposed to add an application date of March 1, 2000 and also proposed to add a fiscal note to the bill.

Enacted law summary

Public Law 1999, chapter 396 requires that certified nurse practitioners be permitted to serve as primary care providers in managed care plans if the certified nurse practitioner is approved by the State Board of Nursing to practice advanced practice registered nursing without the supervision of a physician, meets the managed care plan’s credentialing standards, and is referred by a primary care provider. It requires that carriers, including indemnity or other health insurance plans that do not require the selection of a primary care providers, provide coverage for the services of certified nurse practitioners and certified midwives when those services are covered and when they are within the lawful scope of practice of the certified nurse practitioners and certified nurse midwives. The public law also requires that carriers assign identification numbers or codes to certified nurse practitioners and certified nurse midwives who provide services covered by the carrier’s health plan and that the identification number be indicated on claims.

Public Law 1999, chapter 396 applies to all policies, contracts and certificates issued or renewed on or after March 1, 2000.

LD 866

An Act to Include a Podiatrist in the Definition of Physician

ONTP

<u>Sponsor(s)</u> PENDLETON FULLER	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 866 proposed to add podiatrists to those health care professionals whose services are covered by health care services contracts provided by nonprofit hospital or medical service organizations and whose services are covered by health or accident insurance policies.

LD 911 **An Act to Change the Reimbursement Policy on Mental Health Services** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PARADIS	ONTP MAJ	
MADORE	OTP-AM MIN	

LD 911 proposed to require that nonprofit hospital and medical service organizations, insurers and health maintenance organizations provide reimbursement for the services of licensed counseling professionals. Under current law, nonprofit hospital and medical service organizations, insurers and health maintenance organizations are only required to make available coverage for those services at the option of the policyholder. The bill would have applied to all policies and contracts issued or renewed on or after January 1, 2000.

Committee Amendment "A" (S-198) was the minority report of the committee. It proposed to clarify that nonprofit hospital and medical service organizations, insurers and health maintenance organizations are required to provide reimbursement for the services of licensed clinical professional counselors, licensed marriage and family therapists and licensed pastoral counselors and not other categories of licensed counseling professionals.

The amendment proposed to add an appropriation section and a fiscal note to the bill. Committee Amendment "A" was not adopted.

LD 913 **An Act to Ensure that Persons Issuing Bad Checks are Solely Responsible for Overdraft Charges** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BOUFFARD	ONTP MAJ	
MILLS	OTP MIN	

LD 913 proposed to limit the amount financial institutions may assess depositors for returned check fees if the check is returned for insufficient funds.

LD 945 **An Act to Require Individuals be Notified of Cancellation of Insurance Benefits** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MURRAY	ONTP	

LD 945 proposed to require the Bureau of Insurance to adopt rules clarifying that individuals insured under an individual or group health insurance policy receive prior notice before cancellation of benefits for nonpayment of premiums regardless of whether another person has been designated by the insured to receive such notice.

LD 980**An Act to Increase Access to Nontraditional Medical Alternatives****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PINGREE	ONTP MAJ	
SULLIVAN	OTP-AM MIN	

LD 980 proposed to require all managed care plans to provide coverage for nontraditional medical alternatives when the enrollee is referred for those services by a physician. The bill would have applied to all individual and group managed care plan contracts issued or renewed on or after January 1, 2000.

Committee Amendment "A" (S-199) was the minority report. It proposed to clarify that coverage must be provided for alternative healthcare services provided by licensed naturopathic doctors, acupuncturists, massage therapists and dietitians when a referral is made by an enrollee's primary care provider.

The amendment also proposed to add an appropriation and allocation section and a fiscal note to the bill. Committee Amendment "A" was not adopted.

LD 988**An Act to Facilitate the Collection of Data Concerning the Health Care Services Provided by Certified Nurse Practitioners and Certified Nurse Midwives****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GOLDTHWAIT	ONTP	

LD 988 proposed to require that nonprofit hospital and medical service organizations, health insurers and health maintenance organizations assign identification numbers to certified nurse practitioners and certified nurse midwives that provide services under individual and group contracts. It also proposed to require that claims submissions include the identification numbers of any certified nurse practitioner or certified nurse midwife that provided services related to the claim. The bill further proposed to require that nonprofit hospital and medical service organizations, health insurers and health maintenance organizations file annual reports with the Superintendent of Insurance outlining their experience related to services provided by certified nurse practitioners and certified nurse midwives.

The substantive provisions of LD 988 were incorporated into Committee Amendment "A" to LD 857.

LD 989**An Act to Ensure Access to Cardiac and Pulmonary Rehabilitation****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BERUBE	ONTP	
CHIZMAR		

LD 989 proposed to require that nonprofit hospital and medical service organizations, insurers and health maintenance organizations provide coverage for cardiac and pulmonary rehabilitation services. The bill would have applied to all individual and group policies issued or renewed on or after January 1, 2000.

LD 991	An Act to Require Coverage for Services Performed by Certified Nurse Practitioners and Certified Nurse Midwives to Patients Referred by Primary Care Providers	ONTP
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<u>Sponsor(s)</u> GOLDTHWAIT	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 991 proposed to require that nonprofit hospital and medical service organizations, health insurers and health maintenance organizations provide coverage for services performed by certified nurse practitioners or certified nurse midwives to patients who are referred by a primary care provider.

The substantive provisions of LD 991 were incorporated into Public Law 1999, chapter 396 (LD 857).

LD 992	An Act to Establish Parity for Patients of Certified Nurse Practitioners and Certified Nurse Midwives	ONTP
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<u>Sponsor(s)</u> PENDLETON CAMERON	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 992 proposed to require a health insurer or health maintenance organization that provides coverage for the services performed by any certified nurse practitioner and any certified nurse midwife working under the supervision of a physician to also provide coverage for those same services when performed by any certified nurse practitioner or any certified nurse midwife not working under the supervision of a physician, assuming those services are within the scope of practice of the certified nurse practitioner or certified nurse midwife.

See related bill LD 857.

LD 1000	An Act to Provide Insurance Parity for Substance Abuse Treatment	CARRIED OVER
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<u>Sponsor(s)</u> DAGGETT	<u>Committee Report</u>	<u>Amendments Adopted</u>
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LD 1000 proposes to require that all individual and group health insurance contracts provide coverage for substance abuse treatment under the same terms and conditions as coverage for physical conditions and illnesses. The bill would have applied to all policies and contracts issued or renewed on or after January 1, 2000.

LD 1000 has been carried over to the Second Regular Session.

LD 1060	An Act to Allow Credit Card Users to Purchase Payment Insurance	ONTP
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<u>Sponsor(s)</u> MACKINNON	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 1060 proposed to eliminate the restriction on credit card companies of having to charge at least \$30 per month in order to provide consumers credit life, accident or health insurance coverage. The bill also proposed to allow a consumer to opt for a waiting period of 30 days or more when purchasing credit life, accident or health insurance coverage as part of a credit sale or supervised loan.

LD 1092

An Act to Eliminate Discrimination in Accident Insurance Coverage

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SIROIS	ONTP MAJ	
	OTP-AM MIN	

LD 1092 proposed to prohibit insurers from lowering coverage limits for accident insurance for insureds 70 years of age or older.

Committee Amendment "A" (H-188) was the minority report of the committee and proposed to replace the bill. It proposed to prohibit insurers from lowering coverage limits for accident insurance only policies on the basis of age. The amendment also proposed to add a fiscal note to the bill. Committee Amendment "A" was not adopted.

LD 1097

An Act to Regulate Motor Vehicle Insurance Rates

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PLOWMAN	ONTP	

LD 1097 proposed to prohibit insurers from increasing the premium or imposing a surcharge on a motor vehicle insurance policy unless the named insured or another person operating a motor vehicle insured under the policy is involved in two or more accidents resulting in either personal injury or property damage in excess of \$500.

LD 1112**An Act to Allow Insurance for Drivers of Multiple Vehicles****ONTP**Sponsor(s)
DUNLAPCommittee Report
ONTPAmendments Adopted

LD 1112 proposed to allow owners of multiple motor vehicles to obtain motor vehicle liability insurance for the number of licensed drivers in a family rather than the number of motor vehicles subject to certain conditions.

LD 1119**An Act to Ensure that Emergency Mental Health Services are a Covered Benefit****ONTP**Sponsor(s)
KANECommittee Report
ONTPAmendments Adopted

LD 1119 proposed to require that nonprofit hospital and medical service organizations, health insurers and health maintenance organizations that provide coverage for emergency mental health services rendered in hospital emergency rooms and mobile units also provide coverage for emergency mental health services provided outside the hospital in community settings. It would have applied to all individual and group policies and contracts issued or renewed on or after January 1, 2000.

LD 1127**Resolve, to Study Maine's Individual Health Insurance Market****ONTP**Sponsor(s)
SAXL J
LAFOUNTAINCommittee Report
ONTPAmendments Adopted

LD 1127 proposed to create a task force to study, and recommend steps to improve, the availability and affordability of individual health insurance in the State.

This bill was submitted on behalf of the Department of Professional and Financial Regulation.

LD 1135**An Act to Ensure that a Person with Pervasive Development Disorder is Not Penalized under the Insurance Laws****ONTP**Sponsor(s)
MACDOUGALL
PARADISCommittee Report
ONTPAmendments Adopted

LD 1135 proposed to prohibit the imposition of a preexisting condition exclusion relating to pervasive development disorder in individual and group health insurance policies.

LD 1151**An Act to Authorize the Department of Defense, Veterans and
Emergency Management to Establish a Disaster Relief Trust Fund****ONTP**

Sponsor(s)
MCALEVEY
LIBBY

Committee Report
ONTP

Amendments Adopted

LD 1151 proposed to establish a disaster relief trust fund to be administered by the Maine Emergency Management Agency to match federal disaster assistance funds and provide other local disaster assistance. The trust fund would have been funded by a surcharge on homeowners' and business property insurance policies.

LD 1158**An Act to Ensure Equality in Mental Health Coverage for Children and
Adults** **CARRIED OVER**

Sponsor(s)
BROOKS
PARADIS

Committee Report

Amendments Adopted

LD 1158 proposes to ensure parity in coverage of mental health treatment for children and adults and to include eating disorders under standard coverage.

LD 1158 has been carried over to the Second Regular Session.

LD 1168**An Act to Provide Equity in Prescription Insurance for Contraceptive
Coverage****PUBLIC 341**

Sponsor(s)
PINGREE
SAXL J

Committee Report
OTP-AM MAJ
ONTP MIN

Amendments Adopted
S-200

LD 1168 proposed to require insurance policies and contracts that provide coverage for prescription drugs or outpatient medical services to provide coverage for prescription contraceptives approved by the federal Food and Drug Administration or for outpatient contraceptive services, respectively, to the same extent that coverage is provided for other prescription drugs or outpatient medical services.

Committee Amendment "A" (S-200) is the majority report of the committee. It proposed to remove the prohibition sections of the bill and clarify that the bill may not be construed to apply to prescription drugs or devices that are designed to terminate a pregnancy. The amendment also proposed to add disability income insurance to the types of insurance that are exempted from the requirement to provide contraceptive coverage.

The amendment proposed to provide an exemption from the purchase of an insurance policy providing mandated coverage for contraceptives for religious employers.

The amendment proposed to provide an exemption from the requirement that this bill undergo review and evaluation by the Bureau of Insurance before being enacted into law.

The amendment would have applied to all policies and contracts issued or renewed on or after March 1, 2000.

The amendment also proposed to add a fiscal note to the bill.

House Amendment "A" to Committee Amendment "A" (H-476) proposed to exclude emergency contraception from the application of the bill in addition to prescription drugs and devices that are designed to terminate a pregnancy. It also proposed to amend the definition of a religious employer that may request an exemption from the purchase of an insurance policy providing mandated coverage for contraceptives.

The amendment also proposed to add disability income insurance to the types of insurance that are exempted from the requirement to provide contraceptive coverage.

House Amendment "A" to Committee Amendment "A" was not adopted.

House Amendment "B" to Committee Amendment "A" (H-520) proposed to change the definition of a "religious employer" and would have allowed a religious employer to request an exemption from the purchase of an insurance policy providing mandated coverage for contraceptives. The amendment proposed to require coverage for emergency contraception given to a victim of rape or incest. House Amendment "B" to Committee Amendment "A" was not adopted.

Enacted law summary

Public Law 1999, chapter 341 requires insurance policies and contracts that provide coverage for prescription drugs or outpatient medical services to provide coverage for prescription contraceptives approved by the federal Food and Drug Administration and for outpatient contraceptive services to the same extent that coverage is provided for other prescription drugs and outpatient medical services. The law provides coverage for prescription drugs or devices that are designed to terminate pregnancy. Religious employers are exempted from having to provide insurance policies mandating coverage for contraceptives. Public Law 1999, chapter 341 applies to all policies and contracts issued or renewed on or after March 1, 2000.

LD 1192

An Act to Update Insurance Financial Standards

PUBLIC 113

Sponsor(s)
LAFOUNTAIN
MAYO

Committee Report
OTP-AM

Amendments Adopted
S-54

LD 1192 proposed to amend Maine's audit report, holding company, examination, actuarial certification, credit for reinsurance and risk-based capital standards to bring them more into conformity with the current versions of the National Association of Insurance Commissioners, or NAIC, model laws.

The bill proposed to bring the audit report law into conformance with NAIC standards; make technical changes to the holding company law and adds a service of process provision and a requirement for information sharing between affiliates; establish a procedural timetable for the issuance of examination reports; add a reciprocity provision to the port of entry law; clarify the trust requirements of the credit for reinsurance laws and enact the "reinsurance-only" structure now in use by the NAIC; implement the NAIC's new health organization risk-based capital standards; and repeal certain obsolete exemptions in the audit report, credit for reinsurance and actuarial standards.

In addition, the bill proposed to provide a mechanism for service of process when a person required to appoint an agent fails to comply with that requirement, authorize the redomestication of insurance corporations, consistent with the laws of most other states and eases restrictions on financial institutions seeking to issue letters of credit to workers' compensation self-insurers.

This bill was submitted on behalf of the Department of Professional and Financial Regulation.

Committee Amendment "A" (S-54) proposed to correct a spelling error and add a fiscal note to the bill.

Enacted law summary

Public Law 1999, chapter 113 amends Maine’s audit report, holding company, examination, actuarial certification, credit for reinsurance and risk-based capital standards to bring them more into conformity with the current version of the National Association of Insurance, Commissioners, NAIC, model laws. The enacted law does the following:

1. It brings the audit report law into conformance with NAIC standards;
2. It adds a service of process provision and a requirement for information sharing between affiliates to the holding company law;
3. It establishes a procedural timetable for the issuance of examination reports;
4. It adds a reciprocity provision to the port of entry law;
5. It clarifies the trust requirements of the credit for reinsurance laws and enacts the “reinsurance-only” structure used by NAIC;
6. It implements NAIC’s health organization risk-based capital standards;
7. It provides a mechanism for service of process when a person required to appoint an agent fails to comply with that requirement;
8. It authorizes the redomestication of insurance corporations; and
9. It eases restrictions on financial institutions seeking to issue letters of credit to workers’ compensation self-insurers.

LD 1197 **An Act to Encourage the Acquisition of Long-term Care Insurance** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HARRIMAN	ONTP	

LD 1197 proposed to amend current law so that the Superintendent of Insurance may certify insurance policies covering nursing home and continuing or assisted-living care as long-term care policies. With this certification, the premiums paid for a policy covering nursing home and continuing care will be subtracted from federal adjusted gross income in computing Maine individual taxable income.

LD 1205 **An Act Concerning Access to Obstetrical and Gynecological Services
Provided Through Managed Care Plans** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MURRAY	ONTP MAJ	
FULLER	OTP-AM MIN	

LD 1205 proposed to allow women enrolled in group managed care plans to receive primary, preventive and therapeutic obstetrics and gynecological services from an obstetrician/gynecologist, certified nurse practitioner or certified nurse

midwife participating in the managed care plan, without a referral from a primary care physician. Under current law, enrollees are only allowed to self-refer to a participating provider for an annual gynecological examination.

LD 1218 An Act Relating to Automobile Rental Supplemental Liability Insurance PUBLIC 270

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL	OTP-AM MAJ ONTP MIN	H-341

LD 1218 proposed to allow car rental agents to sell limited supplemental automobile liability insurance in connection with the rental of a motor vehicle without having to take a licensing examination.

Committee Amendment "A" (H-341) proposed to replace the bill. It proposed to require a motor vehicle rental company and at least one employee of the rental company at each location in the State to be licensed as a limited insurance producer for the solicitation or sale of liability insurance in connection with and incidental to the rental of a motor vehicle for a period not to exceed 60 days.

The amendment also proposed to add a fiscal note to the bill.

Enacted law summary

Public Law 1999, chapter 270 requires a motor vehicle rental company and at least one employee of the rental company at each location in the state be licensed as a limited insurance producer for the solicitation or sale of liability insurance in connection with and incidental to the rental of a motor vehicle for a period not to exceed 60 days.

LD 1241 An Act to Create a Single-payor System for Universal Health Care ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TWOMEY	ONTP	

LD 1241 proposed to do the following.

Part A of the bill would have established the Maine Health Care Authority to administer the Maine Health Care Plan, a universal health care plan for all Maine residents. Part A proposed that the authority contract with an administrator for the administration of the Maine Health Care Plan. It also would have assigned to the Maine Health Care Authority the tasks of creating a comprehensive state health resource plan, establishing a global budget and ensuring the quality and affordability of health care in the State.

Part B would have required the Maine Health Care Authority and the Department of Human Services to coordinate the Maine Health Care Plan with the health benefits provided under the Medicaid and Medicare programs. The department would have required to apply for all waivers necessary to integrate the Medicaid program with the Maine Health Care Plan, and the authority would have required to apply for all waivers necessary to coordinate the benefits of the Maine Health Care Plan and the Medicare program.

Part C would have eliminated the requirement for the Department of Human Services to create a health resource plan. This Part also proposed to repeal the certificate of need program.

Part D would have allowed the members of the board of the Maine Health Care Authority to be paid for expenses incurred by them.

Part E would have repealed the statutes creating the State Employee Health Commission and the Health Insurance Plan for State Employees. State employees would be insured under the Maine Health Care Plan.

Part F would have required the Bureau of Insurance and the Maine Health Care Authority to study the statutes and regulations enforced by the bureau and report to the Legislature regarding any statutory changes needed to coordinate the role of the bureau with the implementation of the Maine Health Care Plan.

Part G would have required the Department of Human Services to submit legislation to make technical corrections to the statutes necessitated by this Act, including cross-references.

See related bill LD 2059.

LD 1258

An Act Relating to Uninsured Vehicle Coverage

PUBLIC 271

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ABROMSON	OTP-AM MAJ	S-201
SAXL J	ONTP MIN	

LD 1258 proposed to require that a person's uninsured or underinsured vehicle coverage must be at the same level as that person's liability coverage unless the consumer expressly rejects the equal coverage limit.

Committee Amendment "A" (S-201) is the majority report of the committee and proposed to add a requirement that the insurer or insurance producer disclose to the purchaser of a motor vehicle liability insurance policy the requirements for uninsured motor vehicle coverage.

The amendment also proposed to add a fiscal note to the bill.

Enacted law summary

Public Law 1999, chapter 271 requires that a person's uninsured or underinsured vehicle coverage be at the same level as that person's liability coverage unless the consumer expressly rejects the equal coverage limit. It requires that the insurer or insurance producer disclose to the purchaser of a motor vehicle insurance policy the requirements for uninsured motor vehicle coverage.

LD 1323

An Act to Ensure Affordable Access to Gynecological Services Provided by Nurse Practitioners

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PINGREE	ONTP	
ROWE		

LD 1323 proposed to require that nonprofit hospital and medical service organizations, health insurers and health maintenance organizations provide coverage for gynecological services performed by a nurse practitioner. The bill would have applied to all individual and group policies and contracts issued or renewed on or after January 1, 2000.

LD 1392**An Act Concerning the Lapse of Automobile Insurance****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HEIDRICH	ONTP	

LD 1392 proposed to require an insurance company to notify the Secretary of State within 30 days after the cancellation of an automobile insurance policy that was maintained to meet the requirements of the financial responsibility law. The Secretary of State would have then requested proof of financial responsibility from the former policyholder and, if proof was not given, the Secretary of State would have notified the local law enforcement agency of the noncompliance and the law enforcement agency would have removed the registration plates from the uninsured motor vehicle. Upon notification that financial responsibility had been met, the Secretary of State would have returned the registration plates to the owner.

LD 1409**An Act to Clarify Discounts to Nonsmokers in Health Insurance Premium Rates****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
NUTTING J	ONTP	

LD 1409 proposed to clarify the ability of insurers to offer premium discounts based on the smoking status of insureds.

LD 1424**An Act to Require Insurance Coverage for the Treatment of Infertility****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MUSE RAND	ONTP	

LD 1424 proposed to require that health insurance policies include coverage for the treatment of infertility. Under this bill, a contract that provides such coverage would have required a 20% copayment by the insured. The bill would have applied to all policies and contracts in effect on or after January 1, 2000.

LD 1434**An Act to Make Minor Corrections to the Laws Governing Financial Regulation and Debt Collection****PUBLIC 184**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL	OTP-AM	H-245

LD 1434 proposed to make various technical corrections and amendments to consumer credit and collection law. It proposed to amend the Maine Consumer Credit Code to clarify legislative intent that only retail credit card plans, not all open-end agreements, are deregulated with respect to interest rates; and to increase the consumer protection bond for supervised lenders from \$25,000 to \$50,000. Further, the bill proposed to amend the Fair Credit Reporting Act to correct and clarify the text of a statutory provision and amended a subsection headnote. Finally, the bill proposed to amend the Maine Fair Debt Collection Practices Act to correct a statutory reference and to provide for the licensing of branch offices of collection agencies.

This bill was submitted on behalf of the Department of Professional and Financial Regulation.

Committee Amendment "A" (H-245) proposed to permit the imposition of late fees on fixed-rate, closed-end subordinate mortgages and increase the minimum finance charge allowed for small loans between \$75 and \$250 from \$7.50 to \$15.

The amendment proposed to allow the Office of Consumer Credit Regulation, the Bureau of Banking, the Securities Division and the Bureau of Insurance to enter into cooperative agreements with other state, federal or foreign regulatory agencies for the sharing of information, coordination of examinations and joint examinations. The amendment proposed to protect the confidentiality of information provided to or by the agencies.

The amendment also proposed to allow these state agencies to contract with experts, professionals and other personnel of other state and federal regulatory agencies to assist in carrying out their regulatory functions.

The amendment proposed to allow the Commissioner of Professional and Financial Regulation to receive and share confidential information from any agency, bureau, board or commission within the department and would have protected the confidentiality of that information.

The amendment also proposed to add a fiscal note to the bill.

Enacted law summary

Public Law 1999, chapter 184 amends the consumer credit and collection law. It does the following:

1. It amends the Maine Consumer Credit Code to clarify legislative intent that only retail credit card plans, not all open-end agreements, are deregulated with respect to interest rates; and to increase the consumer protection bond for supervised lenders from \$25,000 to \$50,000;
2. It amends the Maine Fair Debt Collection Practices Act to provide for the licensing of branch offices of collection agencies;
3. It permits the imposition of late fees on fixed-rate, closed-end subordinate mortgages and increases the minimum finance charge allowed for small loans between \$75 and \$250 from \$7.50 to \$15;
4. It allows the Office of Consumer Credit Regulation, the Bureau of Banking, the Securities Division and the Bureau of Insurance to enter into cooperative agreements with other state, federal or foreign regulatory agencies for the sharing of information, coordination of examinations and joint examinations. It protects the confidentiality of information provided to or by the agencies. It also allows these state agencies to contract with experts, professionals and other personnel of other state and federal regulatory agencies to assist in carrying out their regulatory functions; and
5. It allows the Commissioner of Professional and Financial Regulation to receive and share confidential information from any agency, bureau, board or commission within the department and protects the confidentiality of that information.

LD 1476**An Act to Conform Maine Law to Federal Law Regarding Long-term Care Insurance for Tax Purposes****ONTP**

Sponsor(s)
KONTOS
GAGNON

Committee Report
ONTP

Amendments Adopted

LD 1476 proposed to make the laws concerning long-term care insurance conform with federal law by allowing premiums paid for long-term care, nursing home care and home health care insurance policies to be deductible for state income tax purposes.

LD 1493**An Act Regarding Private Long-term Disability Insurance for Mental Illnesses****CARRIED OVER**

Sponsor(s)
PERRY

Committee Report

Amendments Adopted

LD 1493 proposes to require all long-term disability insurance policies or contracts offered by group or individual insurers, nonprofit hospital and medical service organizations or health maintenance organizations to cover disabilities resulting from certain mental illnesses.

LD 1493 has been carried over to the Second Regular Session.

LD 1498**An Act to Include Nontraditional Medical Alternatives under Health Insurance and Medicaid Coverage and to Allow the Patient to Choose the Method of Treatment****ONTP**

Sponsor(s)
GERRY

Committee Report
ONTP

Amendments Adopted

LD 1498 proposed to require the Department of Human Services to authorize coverage of nontraditional medical alternatives and nutritional and dietary services under the Medicaid program. The bill also proposed to require all health insurance policies and contracts and health maintenance organization plan contracts to provide coverage of nontraditional medical alternatives and nutritional and dietary services.

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL	OTP-AM	H-401 H-486 O'NEIL

LD 1499 proposed to provide additional flexibility to insurers of large commercial risks, by allowing deregulation of their property and casualty insurance contracts under certain conditions.

Committee Amendment "A" (H-401) proposed to replace the bill. The amendment proposed to authorize the issuance of certain property and casualty insurance policies without rate-filing and form-filing requirements to qualifying large commercial policyholders. The amendment defined the criteria that must be met to qualify as a large commercial policyholder, contained disclosure provisions and required annual reporting by insurers on the policies issued to large commercial policyholders. The amendment proposed to give the Superintendent of Insurance the authority to deem the provisions of the statute waived if there is not sufficient competition for a particular line, class or type of insurance. The amendment would have required the Superintendent of Insurance to report to the Legislature before March 1, 2005 on the insurers issuing contracts to large commercial policyholders.

This amendment also proposed to add a fiscal note to the bill.

House Amendment "A" to Committee Amendment "A" (H-486) proposed to make technical corrections and to require the report by the Superintendent of Insurance to encompass the effects of this legislation.

Enacted law summary

Public Law 1999, chapter 328 authorizes the issuance of property and casualty insurance policies without rate-filing and form-filing requirements to qualifying large commercial policyholders, contains disclosure provisions and requires annual reporting by insurers on the policies issued to large commercial policyholders. It also requires the Superintendent of Insurance to report to the Legislature before March 1, 2005 on the insurers issuing contracts to large commercial policyholders.

Public Law 1999, chapter 328 also gives the Superintendent of Insurance the authority to deem the provisions of the statute waived if there is not sufficient competition for a particular line, class or type of insurance.

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PERRY	ONTP	

LD 1527 proposed to require an insurer to pay health care providers for health care services within 30 days of submission of a claim. The bill would have permitted one exception to this 30-day payment requirement: When the insurer provides written notice that a claim is controverted, the health care provider need not be paid within 30 days for health care services within the scope of the controverted claim provided after receipt of the notice. The bill also proposed to require that an insurer pay for these additional health care services and any legal expenses incurred by the insured in pursuit of payment of the controverted claim, when it is determined that the insurer is obligated to pay the controverted claim.

LD 1541**An Act to Extend Portability of Coverage to Persons Covered under College-sponsored Health Plans****ONTP**Sponsor(s)
NORBERT
PINGREECommittee Report
ONTPAmendments Adopted

LD 1541 proposed to amend the continuity of health insurance coverage laws to extend continuity of coverage to students covered under college-sponsored health plans.

LD 1546**An Act to Encourage Payment of Certain Workers' Compensation Premiums Owed to a Previous Insurer****PUBLIC 121**Sponsor(s)
SAXL JCommittee Report
OTPAmendments Adopted

LD 1546 proposed to provide that workers' compensation insurance coverage issued to an employer may not be continued unless the employer pays any undisputed premiums or assessments to a previous workers' compensation insurer. The bill proposed that if a premium or assessment is subject to a good faith dispute at the time of termination of a policy or if such a dispute becomes known as a result of a post-termination audit review or other reason after replacement coverage has been issued and if the premium or assessment remains unpaid upon resolution of the dispute by the Bureau of Insurance, this replacement coverage must be canceled. Current law requires that a new policy not be issued if an undisputed premium is owed to a prior carrier.

Enacted law summary

Public Law 1999, chapter 121 requires that workers' compensation insurance coverage issued to an employer not be continued unless the employer pays any undisputed premiums or assessments to a previous workers' compensation insurer. It requires that if a premium or assessment is subject to a good faith dispute and if the premium or assessment remains unpaid upon resolution of the dispute by the Bureau of Insurance, then the replacement coverage must be canceled.

LD 1602**An Act to Expand Term Limits of Maine Employers' Mutual Insurance Company Directors****PUBLIC 120**Sponsor(s)
LAFOUNTAINCommittee Report
OTPAmendments Adopted

LD 1602 proposed to allow members of the Board of Directors of the Maine Employers' Mutual Insurance Company to serve three full terms instead of two full terms.

Enacted law summary

Public Law 1999, chapter 120 authorizes members of the Board of Directors of the Maine Employers' Mutual Insurance Company to serve three full terms.

LD 1604**An Act to Create a Standard Small Group Health Plan****ONTP**Sponsor(s)
MILLSCommittee Report
ONTPAmendments Adopted

LD 1604 proposed to establish a commission composed of the Superintendent of Insurance and two public members to define a minimum standard small group health plan. Current law requires the superintendent to define a standard small group health plan and a basic small group health plan. This bill proposed to require the commission in addition to design a third small group health plan, the annual premium for which cannot exceed 10% of the Maine average annual wage. To accomplish the goal of affordable premiums, the commission would have been authorized to define a plan that does not include mandated health benefits.

LD 1608**An Act to Conform Maine's Consumer Credit Laws to Federal Law and Make Other Changes****PUBLIC 150**Sponsor(s)
LAFOUNTAINCommittee Report
OTP-AMAmendments Adopted
S-101

LD 1608 proposed to conform certain portions of Maine's consumer credit laws to federal law and make other changes in order to reduce the regulatory burden on Maine lenders and to encourage out-of-state lenders to make loans in Maine.

Committee Amendment "A" (S-101) proposed to provide that consumers are entitled to a copy of a written agreement in a consumer credit transaction upon consummation of the transaction or within a reasonable period of time after the transaction in the case of transactions entered into by mail, telephone or electronic means.

The amendment proposed to allow a change in terms of unsecured open-end credit accounts involving a credit card to increase penalties, interest or other charges without requiring an offer by the creditor to finance the outstanding unpaid balance by separate loan arrangement at the prior rate of interest according to the prior repayment schedule.

The amendment proposed to provide that a person is entitled to one copy of a real estate appraisal from a creditor or financial institution if the request is made within 90 days after the creditor or financial institution has provided notice of

action taken on the application for credit or the date of the closing, whichever is later, or 90 days after the application is withdrawn.

The amendment also proposed to add a fiscal note to the bill.

Enacted law summary

Public Law 1999, chapter 150 conforms portions of Maine’s consumer credit laws to federal law and makes changes in those laws. It provides that consumers are entitled to a copy of a written agreement in a consumer credit transaction upon consummation of the transaction or within a reasonable period of time after the transaction. It allows unsecured open-end credit card accounts to increase penalties, interest or other charges without requiring an offer by the creditor to finance the outstanding unpaid balance by separate loan arrangement at the prior rate of interest according to the prior repayment schedule.

Public Law 1999, chapter 150 also provides that a person is entitled to one copy of a real estate appraisal from a creditor or financial institution if the request is made within 90 days after the creditor or financial institution has provided notice of action taken on the application for credit or the date of closing, whichever is later, or 90 days after the application is withdrawn.

LD 1619 An Act to Create a Patients' Bill of Rights CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LAWRENCE		

LD 1619 proposes to establish a "Patients' Bill of Rights" for Maine residents enrolled in HMO's and other health plans. It proposes to protect access to appropriate physicians and proper medical care and provide a means of recourse for patients who have been improperly denied such access. The bill proposes to:

1. Ensure access to obstetrical and gynecological care;
2. Ensure access to specialty care for seriously ill patients;
3. Ensure continuity of care when a physician is dropped from a health plan;
4. Ensure access to prescription drugs;
5. Ensure access to clinical trials;
6. Provide patients with access to an independent external review of decisions regarding health care coverage and services;
7. Prohibit offering financial incentives to providers to limit necessary and appropriate medical care;
8. Establish an independent consumer assistance program to provide assistance and advocacy services to patients in selecting a health insurance plan, utilizing the plan and filing grievances and appeals of plan decisions;
9. Provide patients with the right to sue their health plan if the plan's failure to exercise ordinary care in making treatment decisions causes an injury to a patient; and
10. Require health plans to disclose information about their costs, benefits and performance.

LD 1619 has been carried over to the Second Regular Session.

See related bills LD 631, 750 and 1890.

LD 1640 **An Act Regarding Service Contracts** **CARRIED OVER**

<u>Sponsor(s)</u> ABROMSON		<u>Committee Report</u>		<u>Amendments Adopted</u>
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LD 1640 proposes to establish regulatory standards for providers of service contracts and exempts these contracts from all other provisions of the Maine Insurance Code. It also proposes to exempt from the Maine Insurance Code:

1. Warranties;
2. Maintenance agreements;
3. Warranties, service contracts and maintenance agreements offered by public utilities on their transmission devices to the extent they are regulated by the Public Utilities Commission; and
4. Service contracts sold or offered for sale to persons other than consumers.

LD 1640 has been carried over to the Second Regular Session.

LD 1660 **An Act to Provide Reasonable Compensation for Vehicles Damaged in Accidents** **ONTP**

<u>Sponsor(s)</u> KILKELLY PIEH		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 1660 proposed to require that motor vehicle insurance policies provide coverage to return insured vehicles damaged in an accident to operating condition or, if an insured vehicle is destroyed in an accident, provide coverage to replace the destroyed vehicle with a vehicle in similar condition to the destroyed vehicle prior to its destruction.

LD 1661 **An Act to Allow Fair Access to Long-term Care Insurance** **ONTP**

<u>Sponsor(s)</u> LIBBY		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 1661 proposed to require insurers and nonprofit hospital and medical service organizations and nonprofit health care plans that offer federally qualified long-term care insurance policies to also offer similar nonqualified long-term care policies that do not contain the federally required contractual provisions and definitions.

Sponsor(s)
LAFOUNTAINCommittee Report
OTP-AMAmendments Adopted
S-112

LD 1664 proposed to clarify the definition of "basic health care services" for purposes of defining the scope of health care services to be provided by all health maintenance organizations. Under the Bureau of Insurance Rule, Chapter 850, Section 7(B)(1), all health maintenance organizations are presently required to include in each of their health plans the specific coverages set forth in the health maintenance organization basic plan, which in turn is set forth in the Bureau of Insurance Rule, Chapter 750, Section 6(B). Together, these rule provisions have the effect of imposing upon health maintenance organizations as mandated benefits, certain benefits that go beyond the present scope of mandated benefits. In addition, these rules impose very specific requirements governing the applicability of copayments, or prohibitions on copayments, that are contrary to the coverages historically provided by health maintenance organizations and are inconsistent with the types of plans employers have traditionally sought. It also proposed to focus the definition of "basic health care services" upon a list of medical services required to be covered and include all statutory mandates. It proposed to recognize and preserve the Bureau of Insurance's authority to adopt rules further defining the services all health maintenance organizations must provide. At the same time, it proposed to preclude the bureau from relying on all particulars of the standard or basic plans in Chapter 750 for this purpose and proposed to leave to employers and health maintenance organizations the task of determining the nature and scope of copayments and related requirements that they desire to flesh out this scope of services.

Committee Amendment "A" (S-112) proposed to replace the bill. It proposed to clarify the basic health care services that must be provided in all health maintenance organization plans. The bill would allow the Superintendent of Insurance to define "basic health care services" by rule, but prohibits the superintendent from requiring that health maintenance organization plans meet or exceed the requirements of the standard and basic plan specified in Bureau of Insurance Rule, Chapter 750. In adopting rules to define "basic health care services," the superintendent shall permit reasonable, but not excessive or unfairly discriminatory, variations in the copayment, coinsurance, deductible and other features offered in health maintenance organization plans.

The amendment also proposed to add a fiscal note to the bill.

Enacted law summary

Public Law 1999, chapter 222 requires that basic health care services be provided in all health maintenance organization plans. It allows the Superintendent of Insurance to define “basic health care services” by rule, within the requirements of standard and basic plan specified in Bureau of Insurance Rule, chapter 750.

Chapter 222 was enacted as an emergency measure effective May 18, 1999.

LD 1672**An Act Concerning Service Relating to the Disclosure of Financial Records****PUBLIC 197**Sponsor(s)
POVICHCommittee Report
OTPAmendments Adopted

LD 1672 proposed to provide that a customer need not be served with a subpoena, summons or warrant in a state grand jury proceeding involving a fiduciary institution. Public Law 1999, chapter 16, section 1 amended the Maine Revised Statutes, Title 9-B, section 163, subsection 1 by providing that a subpoena, summons or warrant issued to a fiduciary institution in a criminal proceeding need not be served upon the customer. Since the statute had previously provided that the customer need not be served with a copy of the subpoena, summons or warrant issued in a federal grand jury proceeding, confusion exists as to whether service upon the customer is necessary in a state grand jury proceeding.

Enacted law summary

Public Law 1999, chapter 197 provides that a customer in a state grand jury proceeding involving a fiduciary institution need not be served with a subpoena, summons or warrant.

LD 1677**An Act to Enhance the Integrity of Processing Insurance Claims Relating to Motor Vehicle Glass****ONTP**Sponsor(s)
O'NEILCommittee Report
ONTPAmendments Adopted

LD 1677 proposed to allow insurers to use independent third-party claims administrators or agents for auto glass claims, but prohibit the use of a third-party administrator or agent that is affiliated with the glass industry.

LD 1678**An Act to Expand and Clarify the Opportunities for Small Employers to Purchase Health Insurance****ONTP**

Sponsor(s)
BRUNO

Committee Report
ONTP

Amendments Adopted

LD 1678 proposed to amend the laws relating to small group health insurance by doing the following.

1. Prohibit groups with 50 or fewer members from obtaining health insurance through association plans;
2. Eliminate the provision that allows insurers to provide individual health insurance policies to sole proprietors; and
3. Prohibit the imposition of surcharges on premiums applied to groups of one member.

LD 1693**An Act to Clarify the Regulation of Viatical Settlement Contracts When Sold as Investments****PUBLIC 279
EMERGENCY**

Sponsor(s)
O'NEIL
ABROMSON

Committee Report
OTP-AM

Amendments Adopted
H-402
H-474 CAMERON

LD 1693 proposed to clarify the regulation of viatical settlement contracts when they are sold as investments. First, the legislation proposed to make clear that fractional or pooled interests in viatical settlement contracts sold as investments are securities subject to the Revised Maine Securities Act and they are currently covered in the statutory definition as investment contracts, but are not named specifically. Second, the bill proposed to add "viatical settlement contract" to the definition of security. Since viatical settlement contracts are a new investment product, the undivided viatical settlement contracts are not specifically covered in the bill's definition. The bill proposed to add "viatical settlement contract" to the definition of security to provide consumers who purchase undivided viatical settlement contracts with the same consumer protections provided to the purchasers of other investments in Maine.

The bill proposed to provide for an exemption from registration if the seller provides the consumer with a disclosure statement.

This bill was submitted on behalf of the Department of Professional and Financial Regulation.

Committee Amendment "A" (H-402) proposed to provide investors in viatical settlement contracts a 30-day right of rescission.

The amendment also proposed to add an emergency preamble, emergency clause and fiscal note to the bill.

House Amendment "A" (H-474) was presented on behalf of the Committee on Bills in Second Reading to prevent a conflict by incorporating changes made to the Maine Revised Statutes, Title 32, section 10501, subsections 18 and 21 in Public Law 1999, chapter 37.

Enacted law summary

Public Law 1999, chapter 279 clarifies the regulation of viatical settlement contracts when they are sold as investments and clarifies that fractional or pooled interests in viatical settlement contracts sold as investments are considered securities subject to the Revised Maine Securities Act. It adds "viatical settlement contract" to the definition of security

to provide consumers who purchase undivided viatical settlement contracts with the same consumer protections provided to the purchasers of other investments in Maine.

Chapter 279 was enacted as an emergency measure effective May 21, 1999.

LD 1719

An Act to Amend the Maine Banking Code Regarding Extensions of Credit

**PUBLIC 205
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ABROMSON SAXL J	OTP	

LD 1719 proposed to authorize the Superintendent of Banking to grant a partial or full waiver to the requirement that a financial institution making loans or extensions of credit in excess of 10% of total capital must be approved by the governing body or executive committee of that institution or corporation.

There is no waiver provision for the prohibition against a financial institution making loans to one person in excess of 20% of its total capital. Also, the waiver may be withdrawn by the superintendent upon written notice to the financial institution.

Enacted law summary

Public Law 1999, chapter 205 authorizes the Superintendent of Banking to grant a partial or full waiver to the requirement that a financial institution making loans or extensions of credit in excess of 10% of total capital must be approved by the governing body or executive committee of that institution or corporation.

Chapter 205 was enacted as an emergency measure effective May 17, 1999.

LD 1732

An Act to Prohibit Certain Bank Penalties

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RAND QUINT	ONTP MAJ OTP-AM MIN	

LD 1732 proposed to prohibit financial institutions from imposing fees on customers because balances in customers' savings accounts fall below a set minimum amount.

Committee Amendment "A" (S-202) is the minority report of the committee and proposed to replace the bill. The amendment proposed to clarify that the prohibition on charging a fee when a customer's balance in a savings or share account falls below the minimum required balance applies to credit unions as well as banks. The amendment also proposed to add a fiscal note to the bill. Committee Amendment "A" was not adopted.

Sponsor(s)
SAXL J

Committee Report
OTP-AM

Amendments Adopted
H-246

LD 1762 proposed to clarify that the Maine Revised Statutes, Title 24-A, section 2411 should be read in the disjunctive, which is the original intent of the law passed in 1969, but was not so interpreted by the Maine Supreme Judicial Court in American Home Assurance Co. v. Ingeneri, 479 A.2d 897 (Me. 1984). The Law Court read the statute in the conjunctive, in effect, overriding the Legislature's plain use of disjunctive construction in the section. The Ingeneri decision has had the unintended consequence of requiring the Federal Court in Maine to find that another portion of the Insurance Code, which requires an "incontestability clause" to be included in every health insurance contract delivered in this State, to be rendered null and void. Incontestability clauses are a consumer protection, preventing insurers from contesting representations made on insurance applications after three years, unless the insurer can prove fraud. Maine thus became the only state without an "incontestability" provision. This bill proposed to overrule Ingeneri and restore the original intent of the statute.

Committee Amendment "A" (H-246) proposed to replace the bill. It proposed to clarify that misrepresentations and incorrect statements in insurance applications may not prevent recovery under the policy unless the misrepresentations are fraudulent or material to the acceptance of the risk or the hazard to be assumed by the insurer.

The amendment proposed to clarify that Maine Revised Statutes, Title 24-A, section 2411 should be read in the disjunctive, overruling the Maine Supreme Judicial Court's decision in American Home Assurance Co. v. Ingeneri, 479 A.2d 897 (Me. 1984). In that decision, the Law Court read the statute in the conjunctive. The amendment proposed to require that the statute be construed in the disjunctive so that a fraudulent or a material misrepresentation on an application for life, credit life, disability, long-term care, accidental injury, specified disease, hospital indemnity or credit or accident insurance may prevent a recovery by an insured during the first three years of a policy or contract.

Enacted law summary

Public Law 1999, chapter 223 provides that misrepresentations and incorrect statements in insurance applications may not prevent recovery under the policy or contract unless the misrepresentations are fraudulent or material to the acceptance of the risk or the hazard to be assumed by the insurer. The law clarifies that Maine Revised Statutes, Title 24-A, section 2411 should be construed in the disjunctive so that a fraudulent or material misrepresentation on an application for life, credit life, disability, long-term care, accidental injury, specified disease, hospital indemnity or credit or accident insurance may prevent a recovery by an insured during the first three years of a policy or contract.

Sponsor(s)
SAXL J
ABROMSON

Committee Report
OTP-AM MAJ
OTP-AM MIN

Amendments Adopted
H-342

LD 1777 proposed to update the prearranged funeral service law originally enacted in 1959. The provisions in this bill reflect the recommendations of the Funeral Act Review Group, which was assembled by the Department of Professional and Financial Regulation to update the laws regarding prearranged funeral arrangements.

The bill proposed to change one provision in the insurance laws to clarify that insurers may not contract with funeral service providers to solicit or sell policies. The bill proposed to update terminology regarding financial institutions and credit unions and specifies permissible low-risk investments. The bill also proposed to enumerate board rulemaking

requirements to include the format and content of trust agreements and service contracts, the establishment of reasonable transfer, revocation and account administration fees and inspection of trust agreements.

This bill was submitted on behalf of the Department of Professional and Financial Regulation.

Committee Amendment "A" (H-342) is the majority report of the committee. The amendment proposed to qualify the type of insurance that may be purchased with money in a mortuary trust account. The amendment also proposed to replace board members with a designee of the Commissioner of Professional and Financial Regulation on the list of persons authorized to inspect prearranged funeral account records.

The amendment also proposed to add an allocation section and a fiscal note to the bill.

Committee Amendment "B" (H-343) was the minority report of the committee. It differed from the majority report because it allowed fees to be charged against mortuary trusts for the administration of the mortuary trust account. The bill proposed to limit the fees to be charged to only those fees for the actual financial and tax administration of the trust account. Like the majority report, the amendment proposed to qualify the type of insurance that may be purchased with money in a mortuary trust account and proposed to replace board members with a designee of the Commissioner of Professional and Financial Regulation on the list of persons authorized to inspect prearranged funeral account records. Committee Amendment "B" was not adopted.

The amendment also proposed to add an allocation section and a fiscal note to the bill.

Enacted law summary

Public Law 1999, chapter 258 updates the prearranged funeral service law and reflects the recommendations of the Funeral Act Review Group assembled by the Department of Professional and Financial Regulation to update the provisions regarding prearranged funeral arrangements.

Public Law 1999, chapter 258 clarifies that insurers may not contract with funeral service providers to solicit or sell policies; updates terminology regarding financial institutions and credit unions and specified the permissible low-risk investments for mortuary trust funds, including the types of insurance that may be purchased with money in a mortuary trust account. The law limits the fees that may be charged against mortuary trust accounts to fees for the actual financial and tax administration of the account. It also requires the Board of Funeral Service to conduct rulemaking governing the format and content of trust agreements and service contracts, the establishment of reasonable transfer, revocation and account administration fees and inspection of trust agreement.

LD 1778

An Act to Make Corrections in the Mental Health Insurance Laws

ONTP

Sponsor(s)
SAXL M

Committee Report
ONTP

Amendments Adopted

LD 1778 proposed to amend the health insurance laws regarding mental health services coverage. Part A of the bill proposed to remove the provisions that exempt employers with 20 or fewer employees insured under a group contract or policy from the coverage requirements and adds anorexia and bulimia to the lists of biological mental illnesses to which the coverage or offer of coverage provisions apply. Part B of the bill proposed to require health insurance policies and contracts to provide coverage for children's mental health disorders under terms and conditions no less extensive than benefits provided for medical treatment for physical illnesses.

LD 1787**An Act Regarding Dependent and Family Coverage in the State
Employee Health Insurance Program****CARRIED OVER**Sponsor(s)
DAGGETTCommittee ReportAmendments Adopted

LD 1787 proposes to require that the state employee health insurance program treat the children of two unmarried state employees the same as it does the children of two married state employees when offering and establishing costs for health insurance. This bill proposes to require the state to offer so-called "split contracts" to unmarried state employees on the same basis and cost as if offered to married state employees.

LD 1787 has been carried over to the Second Regular Session.

LD 1806**An Act to Clarify the Definition and Licensure of Insurance Consultants,
Financial Planners and Investment Advisors****PUBLIC 225**Sponsor(s)
LAFOUNTAIN
SAXL JCommittee Report
OTP-AMAmendments Adopted
S-111

LD 1806 proposed to eliminate duplicative regulation of financial planners and investment advisors under Title 24-A and bring Maine's definition of "insurance consultant" into conformity with the majority of other states. Financial planners and investment advisors are also regulated under the Maine Revised Statutes, Title 32.

Committee Amendment "A" (S-111) proposed to clarify that investment advisors are not required to be licensed as insurance consultants to the extent that their activities entail providing insurance advice incidental to financial planning advice. The amendment also proposed to allow a licensed insurance producer authorized to act as or on behalf of an investment advisor to collect a fee for insurance advice and collect a commission for the sale of any insurance or annuity policy in connection with rendering that insurance advice.

This amendment also proposed to add a fiscal note to the bill.

Enacted law summary

Public Law 1999, chapter 225 eliminates duplicative regulation of financial planners and investment advisors and brings Maine's definition of "insurance consultant" into conformity with the majority of other states. It clarifies that investment advisors are not required to be licensed as insurance consultants to the extent that their activities entail providing insurance advice incidental to financial planning advice. It also allows a licensed insurance producer authorized to act as or on behalf of an investment advisor to collect a fee for insurance advice and collect a commission for the sale of any insurance or annuity policy in connection with rendering that insurance advice.

LD 1862**An Act Regarding Assignment of Benefits under a Health Insurance
Policy****ONTP**Sponsor(s)
PERRYCommittee Report
ONTPAmendments Adopted

LD 1862 proposed to require that health care providers notify insurers of assignments of benefits and insurers to pay health care providers directly when they have received notice of assignments of benefits. If after receiving notice of an assignment of benefits an insurer pays an insured's claim, the insurer must still pay the related claim of the health care provider. An assignment of benefits cannot be revoked or amended without the written permission of the health care provider.

LD 1890

An Act to Establish a Patients' Bill of Rights for Managed Care

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PINGREE SAXL J	ONTP	

LD 1890 proposed to incorporate into state law many of the provisions contained in the proposed federal "Patients' Bill of Rights" legislation. The provisions proposed to govern the following:

1. Access to out-of-network providers;
2. Access to obstetrical and gynecological care;
3. Access to specialty care;
4. Continuity of care;
5. Access to prescription drugs;
6. Access to clinical trials;
7. Availability of independent external review of appeals;
8. Prohibition on financial incentives for providers;
9. Remedy for a carrier's failure to exercise ordinary care; and
10. Nondiscrimination in the delivery of health care services.

See related bills LD 631, 750 and 1619.

LD 1893

An Act to Expand the State's Risk Management Responsibilities

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MILLS	ONTP	

LD 1893 proposed to expand the risk management responsibilities of the Director of the Bureau of General Services to allow the director to provide insurance advice or services for group homes under the Department of Mental Health, Mental Retardation and Substance Abuse Services and to require the director to provide insurance advice and services for all lines of property and casualty insurance for school administrative units and certain private schools.

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LAFOUNTAIN	OTP-AM	S-203

LD 1930 proposed to protect individuals who have entered into a structured settlement agreement from various companies and individuals who buy the structure, usually at a dramatically reduced cost. The bill proposed to establish procedures and protections pursuant to which such transactions may occur.

A structured settlement is an agreement whereby one party receives a series of payments over a specified term instead of one payment. Structured settlements must always be agreed to by a plaintiff and a particular defendant in a lawsuit.

Committee Amendment "A" (S-203) proposed to make the use of the term "annuity issuer" consistent throughout the bill. It proposed to require transferees of structured settlement payment rights to register with the Bureau of Insurance before doing business in this State. The amendment also proposed to remove the requirement that the structured settlement obligor and annuity issuer provide written approval to the transfer agreement. Instead, it would have allowed structured settlement obligors and annuity issuers to object to the transfer agreement before the court or administrative authority responsible for approving the transfer on the basis that the transfer will result in adverse tax consequences to the structured settlement obligor or annuity issuer. The court or administrative authority may disapprove the transfer on the basis of adverse tax consequences.

The amendment also proposed to add a fiscal note to the bill.

Enacted law summary

Public Law 1999, chapter 268 establishes procedures to protect individuals who have entered into a structured settlement agreement from various companies and individuals who buy the structure, usually at a dramatically reduced cost. It requires transferees of structured settlement payment rights to register with the Bureau of Insurance before doing business in this state. It allows structured settlement obligors and annuity issuers to object to the transfer agreement before the court or administrative authority responsible for approving the transfer on the basis that the transfer will result in adverse tax consequences to the structured settlement obligor or annuity issuer.

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAXL M	OTP-AM MAJ ONTP MIN	

LD 1947 proposed to expand eligibility for the elderly low-cost drug program to 185% of the federal poverty line. It proposed to preserve the provisions that allow eligibility to be determined in part based on the cost of prescription drugs. It would have imposed a gross premium tax on for-profit health maintenance organizations in the amount that is paid by health insurers at the rate of 2% a year. The bill contains an effective date of January 1, 2000.

Committee Amendment "A" (H-710) proposed to replace the bill. It proposed to increase base income eligibility for the elderly low-cost drug program to 185% of the federal poverty line. It would have authorized consideration of current year projected income in the event of a documentable change in income of more than 10% from the prior year. It contained a general effective date of October 1, 1999.

This amendment proposed to impose a 2% gross premium tax on all for-profit health maintenance organizations, subjecting them to the same premium tax as health insurers, except that it exempts from this requirement health maintenance organizations that are health insurance affiliates of nonprofit hospital and medical service organizations.

Revenues from the gross direct premium tax on health maintenance organizations would be paid into a new dedicated, nonlapsing fund named the elderly low-cost drug program fund.

The amendment proposed to add an appropriation section, an allocation section and a fiscal note to the bill. Committee Amendment "A" was not adopted.

The elderly low-cost drug program was expanded to 185% of the federal poverty line in the Part II Budget, P.L. 1999 chapter 401, Part KKK.

LD 1954 **An Act to Categorize Pervasive Developmental Disorder as a Neurological Disorder rather than a Mental Illness under the Insurance Laws** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MACDOUGALL	ONTP	

LD 1954 proposed to categorize pervasive developmental disorder, or autism, as a neurological condition rather than a mental illness. Under current law, pervasive developmental disorder, or autism, is categorized as one of seven biologically based mental illnesses. The bill proposed to retain the requirement that pervasive developmental disorder, or autism, be covered by health insurance under the same terms and conditions as other physical illnesses and conditions.

LD 1991 **An Act to Protect Customers of Nonbank Cash-dispensing Machines** **PUBLIC 229**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SULLIVAN DOUGLASS	OTP-AM	H-344

LD 1991 proposed to provide for the regulation of cash-dispensing machines operated by entities other than financial institutions and credit unions. It proposed to require registration by any operator seeking to establish cash-dispensing machines in the State and proposed to require disclosure of the name, address and telephone number of the operator of the machine; maintenance of a toll-free number for consumer assistance; and disclosure of the name, address and telephone number of the regulating agency. It also proposed to require that the customer be given the opportunity to cancel a transaction without incurring any fee. In addition, it proposed to provide the Director of the Office of Consumer Credit Regulation with regulation and examination authority and provides for penalties for failure to file notice and to comply with the provisions of this bill.

This bill was submitted on behalf of the Department of Professional and Financial Regulation.

Committee Amendment "A" (H-344) proposed to clarify that point-of-sale or debit card terminals are not regulated as cash-dispensing machines and corrects a clerical error.

The amendment also proposed to add a fiscal note to the bill.

Enacted law summary

Public Law 1999, chapter 229 provides for the regulation of cash-dispensing machines operated by entities other than financial institutions and credit unions. It requires the following:

1. Registration by an operator seeking to establish cash-dispensing machines in Maine;
2. Disclosure of the name, address and telephone number of the operator of the machine;
3. Maintenance of a toll-free number for consumer assistance;
4. Disclosure of the name, address and telephone number of the regulating agency; and
5. Cancellation of a transaction by a customer.

Public Law 1999, chapter 20 also gives the Director of the Office of Consumer Credit Regulation authority over cash-dispensing machines operated by entities other than financial institutions and credit unions and provides a penalty for failure to file notice and comply with the provisions of this law.

LD 2029 An Act to Update and Amend the Preferred Provider Arrangement Act CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAXL J ABROMSON		

LD 2029 proposes to do the following:

1. It makes definitions in the Maine Revised Statutes, Title 24-A, chapter 32 more consistent with those in Title 24-A, chapter 56-A;
2. It adds geographic accessibility standards for preferred provider arrangements, consistent with those of health maintenance organizations;
3. It provides for the incorporation of downstream risk arrangements;
4. It requires a preferred provider administrator who handles money to be licensed as a third-party administrator, rather than being subject to separate standards as they are currently; and
5. It requires registered preferred provider arrangements to generate annual reports consistent with existing law.

LD 2029 has been carried over to the Second Regular Session.

This bill was submitted on behalf of the Department of Professional and Financial Regulation.

LD 2043 An Act to Clarify Underinsured Motor Vehicle Coverage CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LAFOUNTAIN SAXL J		S-204

LD 2043 proposes to amend the laws governing underinsured vehicle coverage to address problems created in certain cases when more than one person is injured in an accident. It proposes to amend the provision of law identified in Mullen v. Liberty Mutual Insurance Co., 589 A.2d 1275 (Me. 1991) that denies a consumer the full benefit of the purchased insurance coverage in certain circumstances.

In Mullen v. Liberty Mutual Insurance Co., the Supreme Judicial Court determined that under current law the victim of a negligent motorist may be denied the full benefit of the uninsured motorist insurance purchased if multiple people are injured. This bill proposes to amend the provision of law construed in Mullen and ensures that a person who is injured in an automobile accident is covered to the full extent of the underinsured motorist coverage purchased.

Committee Amendment "A" (S-204) is the majority report of the committee. It proposes to clarify that the bill is not intended to affect the validity of "no consent to settlement" clauses in motor vehicle insurance policies and contracts.

LD 2043 was carried over to the Second Regular Session.

LD 2049 **An Act Providing Recourse and Protection to Vendors Receiving Bad Checks** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TUTTLE	ONTP	

LD 2049 proposed to authorize financial institutions to provide certain information on closed accounts to merchants.

LD 2058 **An Act Relative to Insurance Compliance Self-audit** **CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MAYO ABROMSON		

LD 2058 proposes to encourage insurers to engage in self-auditing functions to facilitate compliance with the Maine Insurance Code.

LD 2058 has been carried over to the Second Regular Session.

LD 2059 **An Act to Establish the Maine Single-payor Health Care Plan and to Restructure the State Tax System** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VOLENIK PINGREE	ONTP MAJ OTP-AM MIN	

LD 2059, Part A, proposed to establish the Maine Single-payor Health Care Plan. It proposed to establish the Department of Health Security as an independent agency to administer the plan. Under the plan, enrollees would have paid premiums to the plan and would have chosen their own health care providers and the plan would have paid their bills. Coverage under the plan would have been supplemental to other coverage. The bill proposed to require a report from the Commissioner of Health Security to the joint standing committee of the Legislature having jurisdiction over human resource matters on the options for coordination of the plan with other health plans and for the plan to take over coverage of some persons covered by those health plans. The bill proposed to require an annual report from the commissioner to the Governor and the Legislature on the operation and activities of the plan.

Part B of the bill proposed to establish the position of Commissioner of Health Security. It proposed to establish the pay range for the commissioner as range 89.

Part C of the bill proposed to repeal all sales tax exemptions and increases income tax rates to raise revenue to implement the Maine Single-payor Health Care Plan. The bill also proposed to require that payments by tobacco product manufacturers to the State in settlement of claims brought against them by the State be used to fund the plan.

Committee Amendment "A" (H-631) is the minority report of the committee. The amendment proposed to do the following:

1. Remove the requirement that the Maine Single-payor Health Care Plan provide coverage for long-term care and dental services;
2. Increase the maximum copayment that may be charged for prescription drugs to \$10;
3. Clarify the provision of healing services by recognized nonmedical religious providers;
4. Remove the requirement that payments from the tobacco settlement to the State be used to partially fund the Maine Single-payor Health Care Plan;
5. Require that the Commissioner of Health Security report to the joint standing committee of the Legislature having jurisdiction over insurance matters;
6. Repeal the statutes creating the State Employee Health Commission and the State Employee Health Insurance Program. State employees will be insured under the Maine Single-payor Health Care Plan. It also corrected cross-references to the State Employee Health Commission and the State Employee Health Insurance Program; and
7. Remove the provisions in the bill repealing all sales tax exemptions and increasing income tax rates. Instead, the amendment requires the Commissioner of Health Security and the State Tax Assessor to determine the funding levels required to support the Maine Single-payor Health Care Plan and to recommend to the Legislature the imposition of the Maine Single-payor Health Care Plan tax on all plan enrollees to provide funding for the plan.

The amendment also proposed to add a fiscal note to the bill. Committee Amendment "A" was not adopted.

LD 2096 An Act Requiring Timely Reimbursement of Health Insurance Claims ONTP

<u>Sponsor(s)</u> SHIELDS MITCHELL B	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 2096 proposed to require that health insurers, including managed care companies, pay provider claims on a timely basis or be subject to interest and penalties.

LD 2138 An Act to Permit the Transfer of Liabilities by a Member of a Workers' Compensation Group Self-insurer CARRIED OVER

<u>Sponsor(s)</u> SAXL M	<u>Committee Report</u>	<u>Amendments Adopted</u>
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LD 2138 proposes to enable a member of a workers' compensation self-insured group to withdraw from the group with the approval of the group by insuring the departing member's own liabilities arising from that member's own claims that would otherwise remain the responsibility of the group. It proposes to further authorize the Superintendent of Insurance to approve insurance policy endorsements that would accomplish this.

LD 2138 has been carried over to the Second Regular Session.

LD 2152

An Act to Amend the Laws Governing Financial Institutions

PUBLIC 218

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DOUGLASS	OTP-AM	S-131

LD 2152 proposed to correct a cross-reference to the Department of Human Services law that sets the requirements for mandatory reporting of suspected elder and adult financial abuse. Banks fall under the voluntary reporting provisions of Department of Human Services law.

It proposed to clarify that the Bureau of Banking's authority under the Maine Revised Statutes, Title 9-B, chapter 24 extends to credit unions authorized to do business in this State.

It proposed to change references to insurance agent or broker to insurance producer, a term codified last session in insurance licensing laws.

It proposed to clarify existing law that states that a financial institution must have five directors in its governing body. The bill would have provided flexibility for the Superintendent of Banking to approve fewer directors for good cause shown; this change is consistent with the remainder of the law.

It proposed to repeal and replace the current law that sets forth the procedure for a bank to establish a new branch. The major change to current law is that it sets forth a procedure for a Maine chartered financial institution to obtain approval to establish a branch in a foreign country consistent with the change made in 1997 that permits a bank from a foreign country to establish a branch in Maine. It also proposed to clarify the process for approval of interstate branches that have been permitted by Maine law since 1997.

It proposed to remove outdated references to bank holidays in Maine banking law.

It proposed to clarify that applications for expedited conversions from federal to state bank charters must be accompanied by a fee of \$2,000, which is the same amount charged for a standard charter application procedure. It further clarified that there is no application nor fee charged for conversion from a state to federal charter as such transactions are governed by federal law.

It proposed to permit a federally chartered savings bank, savings and loan association or national bank that converts its charter to a state charter to retain its preconversion corporate title including the use of the designation "federal," "FSB," "National" or "NA" or derivatives of those designations, provided the institution uses the designation "state association" or "S.A." in its name.

It proposed to clarify that an application by the depositors, members or investors of an institution to liquidate the institution must have the concurrence of the superintendent.

It proposed to remove a reference to Title 9-B, Parts 5, 6 and 7; those parts were repealed in the last legislative session.

It proposed to make technical changes to the law governing the process for approval for a bank to engage, either directly or indirectly, in a closely related activity, clarifying that a notice to the Superintendent of Banking is required in all

cases. It would have established a fee of not more than \$2,500 to cover the cost of reviewing a filing; the fee is consistent with other filings made to the superintendent.

It proposed to clarify the prohibitions set forth in Title 9-B, chapter 46 apply to all financial institutions organized under Maine law.

It proposed to make a technical change to Title 9-B, section 814, which governs the credit union field of membership. This change would have clarified that multiple common bond credit unions are permitted under state law and, while the members of each group must share a common bond of occupation or association, the groups themselves are not required to share a common bond.

It proposed to change the application fee for mergers, conversions and acquisitions of a credit union from \$200 to \$2,000, consistent with current law for chartering a credit union.

This bill was submitted on behalf of the Department of Professional and Financial Regulation.

Committee Amendment "A" (S-131) proposed to add a fiscal note to the bill.

Enacted law summary

Public Law 1999, chapter 218 does the following:

1. It clarifies that the Bureau of Banking's authority under the Maine Revised Statutes, Title 9-B, chapter 24 extends to credit unions authorized to do business in this State;
2. It changes references to insurance agent or broker to insurance producer, a term codified in the 2nd Regular Session of the 118th Legislature in insurance licensing laws;
3. It gives the Superintendent of Banking the flexibility to approve fewer than five directors in its governing body of a financial institution;
4. It establishes a procedure for a Maine chartered financial institution to obtain approval to establish a branch in a foreign country consistent with the change made in 1997 that permits a bank from a foreign country to establish a branch in Maine. It also clarifies the process for approval of interstate branches that have been permitted by Maine law since 1997;
5. It requires that applications for expedited conversions from federal to state bank charters must be accompanied by a fee of \$2,000, which is the same amount charged for a standard charter application procedure. It further establishes that there is no application nor fee charged for conversion from a state to federal charter as such transactions are governed by federal law;
6. It permits a federally chartered savings bank, savings and loan association or national bank that converts its charter to a state charter to retain its preconversion corporate title including the use of the designation "federal," "FSB," "National" or "NA" or derivatives of those designations, provided the institution uses the designation "state association" or "S.A." in its name.
7. It requires that an application by the depositors, members or investors of an institution to liquidate the institution must have the concurrence of the superintendent;
8. It makes technical changes to the law governing the process for approval for a bank to engage, either directly or indirectly, in a closely related activity, by requiring a notice to the Superintendent of Banking in all cases. It also establishes a fee of not more than \$2,500 to cover the cost of reviewing a filing;

9. It clarifies the prohibitions set forth in Title 9-B, chapter 46 apply to all financial institutions organized under Maine law;
10. It amends the law which governs the credit union field of membership to clarify that multiple common bond credit unions are permitted under state law and, while the members of each group must share a common bond of occupation or association, the groups themselves are not required to share a common bond; and
11. It changes the application fee for mergers, conversions and acquisitions of a credit union from \$200 to \$2,000, consistent with current law for chartering a credit union.

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LAFOUNTAIN	OTP-AM	S-182

LD 2157 proposed to do the following:

Part A proposed to amend the definition of "carrier" in the Health Plan Improvement Act to include nonprofit health care plans and fraternal benefit societies;

Part B proposed to provide a special dependent enrollment period under group health insurance when a certificate holder gains custody of a child. Such special dependent enrollment periods are currently available only in the event of marriage, birth, adoption or placement for adoption;

Part C proposed to amend individual health insurance reform laws. It proposed to clarify the definition of "legally domiciled," by changing the term "resident" to a "person who lives in this State." It also proposed to eliminate the use of a driver's license to establish legal domicile and changes a reference from state income tax to federal tax;

Part D proposed to clarify that the individual guaranteed issue laws do not require the Civilian Health and Medical Program for the Uniformed Services, CHAMPUS, supplemental coverage to be offered to those not covered by CHAMPUS. It also proposed to clarify that carriers that issue only this type of coverage in the individual market are not required to offer standardized plans;

Part E proposed to amend the small group guaranteed issue laws to allow professional associations to require that a minimum percentage of the eligible professionals in a firm be members of the association in order for that firm to be eligible for coverage under the association's health insurance plan;

Part F proposed to add to the health maintenance organization laws a cross-reference to the unfair claims settlement practices laws. It also proposed to extend to health maintenance organizations the mandated benefit reporting requirements and the requirement to pay interest on overdue claims currently applicable to indemnity insurers;

Part G proposed to add to the group and blanket health insurance laws a cross-reference to the individual and small group health insurance reform laws;

Part H proposed to clarify the applicability of credit life and credit health insurance laws;

Part I proposed to clarify that the requirement to pay interest on delayed claim payments applies to life insurance;

Part J proposed to amend the law restricting suicide exclusions in life insurance to permit such exclusions on the increased portion of the benefit when the face amount is increased;

Part K proposed to remove an antiquated limit on the amount of flight insurance that may be purchased;

Part L proposed to amend the continuity of coverage laws. It proposed to remove a reference to disability income insurance from the extension of benefits provision since this provision does not apply to disability income insurance. It corrected inconsistencies in the applicability to blanket policies by making these policies subject to all sections that apply to both group and individual coverage. It clarified the term "creditable coverage" by changing it to "federally creditable coverage." It clarified that a waiting period required under a group health policy must be credited toward any preexisting condition exclusion period, as required by federal law. It corrected inconsistent references to "effective date of coverage" and "date of enrollment." It proposed to amend the provision concerning late enrollees to conform to federal law;

Part M proposed to clarify which sections of Title 24-A apply to entities licensed under Title 24. Currently, there are various applicability sections scattered throughout Title 24. This bill proposed to consolidate them into a single section. It also proposed to replace certain sections of Title 24 that duplicate provisions in Title 24-A with cross-references to the corresponding section in Title 24-A. In addition, it proposed to make entities licensed under Title 24 subject to the requirement to pay interest on overdue claims;

Part N proposed to enact a coordination of benefits provision for individual health insurance similar to the existing provisions for group insurance and for group and individual nonprofit hospital and medical service organizations;

Part O proposed to make necessary cross-reference changes; and

Part P proposed to clarify that an eligible employee under the small group health insurance laws must have at least one full-time employee.

This bill was submitted on behalf of the Department of Professional and Financial Regulation.

Committee Amendment "A" (S-182) proposed to do the following.

1. In Part C, it proposed to amend the definition of "legally domiciled" for purposes of qualifying for individual health insurance coverage in this State and require that persons living in this State also satisfy three of four criteria to establish legal domicile in Maine. The amendment also proposed to allow those who may not qualify under the established criteria to establish legal domicile based on other relevant factors;
2. In Part I, it proposed to clarify that the operation of the late payments provision is suspended for health claims disputed or appealed in accordance with Bureau of Insurance Rule Chapter 850;
3. In Part N, it proposed to correct a technical error;
4. It proposed Part Q to ensure that the confidentiality of the accreditation survey report provided by the National Committee for Quality Assurance to a health maintenance organization will be protected upon its submittal to the Bureau of Insurance and the Department of Human Services during an examination of the quality of health care services delivered by the health maintenance organization; and
5. It proposed Part R to clarify the minimum benefits standards applicable to multiple-employer welfare arrangements and authorizes the Superintendent of Insurance to exempt certain arrangements from offering the standard and basic plans.

Enacted law summary

Public Law 1999, chapter 256 does the following:

1. It amends the definition of "carrier" in the Health Plan Improvement Act to include nonprofit health care plans and fraternal benefit societies;
2. It provides a special dependent enrollment period under group health insurance when a certificate holder gains custody of a child;
3. It amends the definition of "legally domiciled" for purposes of qualifying for individual health insurance coverage and requires that persons living in this State also satisfy three of four criteria to establish legal domicile in Maine. It also allows those who may not qualify under the established criteria to establish legal domicile based on other relevant factors
4. It clarifies that the individual guaranteed issue laws do not require the Civilian Health and Medical Program for the Uniformed Services, CHAMPUS, supplemental coverage to be offered to those not covered by CHAMPUS. It also clarifies that carriers that issue only this type of coverage in the individual market are not required to offer standardized plans;
5. It amends the small group guaranteed issue laws to allow professional associations to require that a minimum percentage of the eligible professionals in a firm be members of the association in order for that firm to be eligible for coverage under the association's health insurance plan;
6. It extends to health maintenance organizations the mandated benefit reporting requirements and the requirement to pay interest on overdue claims currently applicable to indemnity insurers;
7. It clarifies that the requirement to pay interest on delayed claim payments applies to life insurance. In addition, it requires that the operation of the late payments provision be suspended for health claims disputed or appealed in accordance with Bureau of Insurance Rule Chapter 850;
8. It amends the law restricting suicide exclusions in life insurance to permit such exclusions on the increased portion of the benefit when the face amount is increased;
9. It amends the continuity of coverage laws to remove a reference to disability income insurance from the extension of benefits provision since this provision does not apply to disability income insurance. It makes applicability to blanket policies subject to all sections that apply to both group and individual coverage. It also clarifies that a waiting period required under a group health policy must be credited toward any preexisting condition exclusion period, as required by federal law;
10. It clarifies which sections of Title 24-A apply to entities licensed under Title 24 by consolidating them into a single section. In addition, it makes entities licensed under Title 24 subject to the requirement to pay interest on overdue claims;
11. It enacts a coordination of benefits provision for individual health insurance similar to the existing provisions for group insurance and for group and individual nonprofit hospital and medical service organizations;
12. It requires that an eligible employee under the small group health insurance laws must have at least one full-time employee.
13. It ensures that the confidentiality of the accreditation survey report provided by the National Committee for Quality Assurance to a health maintenance organization be protected upon its submittal to the Bureau of Insurance and the

Department of Human Services during an examination of the quality of health care services delivered by the health maintenance organization; and

14. It clarifies the minimum benefits standards applicable to multiple-employer welfare arrangements and authorizes the Superintendent of Insurance to exempt certain arrangements from offering the standard and basic plans.

LD 2225

An Act to Permit Certain Referrals by Health Care Practitioners

CARRIED OVER

Sponsor(s)
SAXL M

Committee Report

Amendments Adopted

LD 2225 proposes to allow a referral to another office or group of health care practitioners, regardless of whether the referring physician holds an investment interest in that office or group. Current law prohibits a health care practitioner from referring a patient to another facility in which the practitioner holds an interest unless the practitioner will be personally responsible for the provision of care to that patient..

LD 2225 has been carried over to the Second Regular Session.

SP 640

Joint Order - Relative to Establishing a Joint Select Committee to Study ONTP Third-Party Payments to Health Care Providers

Sponsor(s)
KILKELLY

Committee Report
ONTP - MAJ

Amendments Adopted

This joint order proposed to establish a joint select committee to study third-party payments to health care providers. The select committee would have consisted of seven members and would have been charged with studying the problems of delays in payments by health insurance companies to health care providers and the cash-flow problems this creates for providers. The joint order proposed to have the study report submitted by January 1, 2000 to the Joint Standing Committee on Health and Human Services Committee and the Joint Standing Committee on Banking and Insurance.